

## RESOLUTION NO. 21 – 19

### **RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE BANK AUTHORIZING (I) ITS EXTENDABLE COMMERCIAL PAPER FINANCING PROGRAM AND THE ISSUANCE AND SALE OF ITS ENVIRONMENTAL INFRASTRUCTURE EXTENDABLE COMMERCIAL PAPER NOTES AND (II) THE ISSUANCE AND SALE OF ITS ENVIRONMENTAL INFRASTRUCTURE BONDS, ON A LIMITED AND EXPEDITED BASIS, IN FURTHERANCE OF ITS EXTENDABLE COMMERCIAL PAPER FINANCING PROGRAM**

**WHEREAS**, the New Jersey Infrastructure Bank (the “I-Bank”), pursuant to, and in accordance with, (i) the “New Jersey Infrastructure Trust Act”, constituting Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey (the “State”) (codified at N.J.S.A. 58:11B-1 *et seq.*), as the same has been, and in the future may from time to time be, amended and supplemented (the “Act”), and (ii) the regulations promulgated pursuant to the Act (N.J.A.C. 7:22-2.1 *et seq.*), as the same have been, and in the future may from time to time be, amended and supplemented (the “Regulations”), is authorized, pursuant to an interim financing program for the I-Bank’s New Jersey Water Bank (the “Water Bank Construction Financing Program”), to make loans (each, a “Water Bank Construction Loan”) to eligible project sponsors (each, a “Borrower”) for the purpose of financing the allowable costs of eligible projects (each, a “Project”) relating to such Borrower’s environmental infrastructure facilities (consisting of Wastewater Treatment Facilities, Stormwater Management Facilities or Water Supply Facilities (as such terms are defined in the Regulations)), provided that each such Water Bank Construction Loan made by the I-Bank to any such Borrower satisfies the requirements of the Act, including, without limitation, N.J.S.A. 58:11B-9(d), and the Regulations, including, without limitation, N.J.A.C. 7:22-4.47; and

**WHEREAS**, pursuant to the provisions of N.J.A.C. 7:22-4.47, a proposed project sponsor is eligible to be a Borrower for a Water Bank Construction Loan for purposes of financing the allowable costs of the Project of such Borrower pursuant to the Water Bank Construction Financing Program, provided each of the following conditions is satisfied in full: (i) the Project is listed on the project priority lists that has been submitted to the State Legislature pursuant to N.J.S.A. 58:11B-20 or N.J.S.A. 58:11B-20.1; (ii) the proposed Borrower has submitted a complete application for the Project in accordance with N.J.A.C. 7:22-4.11; (iii) the proposed Borrower has complied with the I-Bank’s Credit Policy, as then in effect pursuant to the adoption of an approving resolution of the Board of Directors of the I-Bank (the “Board” or the “Board of Directors”); (iv) the Project (or, at a minimum, an operable segment thereof) has been certified for funding by the I-Bank in accordance with N.J.A.C. 7:22-4.13; (v) the Project is in the fundable range in the forthcoming funding cycle given the Project’s rank and the anticipated availability of New Jersey Department of Environmental Protection (“NJDEP”) and I-Bank funding; and (vi) the proposed Borrower has not previously received a Water Bank Construction Loan through the Water Bank Construction Financing Program for the same project scope (exclusive of a Water Bank Construction Loan made solely for the purpose of extending the term of a prior Water Bank Construction Loan or for a “Supplemental Short Term Loan” pursuant to N.J.S.A. 58:11B-9(d)), which conditions shall be collectively referred to herein as the “Water Bank Construction Financing Program Conditions Precedent”; and

**WHEREAS**, pursuant to the Environmental Infrastructure Financing Program (the “Program”) and in accordance with (i) the Act and (ii) a financial plan (the “Financial Plan”) approved by the State Legislature in accordance with N.J.S.A. 58:11B-21, -21.1, -22 and -22.1, the I-Bank may issue its revenue bonds (“I-Bank Bonds”), from time to time, for the purpose of making long-term loans (each, an “I-Bank

Loan”) to a Borrower from the proceeds of such I-Bank Bonds in order to finance a portion of the allowable costs of such Borrower’s Project, which I-Bank Loan may be made by the I-Bank to such Borrower for the purpose of refinancing or converting to a long-term debt obligation (the “Long-Term Conversion”) a portion of the aggregate principal amount of (and, as applicable, the interest on) the outstanding Water Bank Construction Loan previously made by the I-Bank to such Borrower in connection with the construction financing of such Project, with the balance of the cost of the Long-Term Conversion financed with the proceeds of a companion loan made by the NJDEP (i.e., the Fund Loan) from sources of funding available to the NJDEP for such purpose; and

**WHEREAS**, the ability of the I-Bank to complete the Long-Term Conversion of one or more outstanding Water Bank Construction Loans, in connection with the Projects financed thereby, through the issuance of its I-Bank Bonds is subject to the following conditions precedent (collectively, the “Long-Term Conditions Precedent”): (i) the inclusion of such Project on the project eligibility list that has been submitted to the State Legislature pursuant to N.J.S.A. 58:11B-20 or N.J.S.A. 58:11B-20.1; (ii) the inclusion of such Project in an appropriations act of the State authorizing the expenditure of moneys to long-term finance a portion of the costs thereof; (iii) (a) the approval of this Resolution, and the Exhibits attached hereto and made a part hereof, by the Governor of the State and the Treasurer of the State, pursuant to, and in satisfaction of, the provisions of N.J.S.A. 58:11B-4(j) and (b) the final adoption of this Resolution by the Board; and (iv) the approval by the Treasurer of the State and certification by the Board of the I-Bank Loan (and the terms and conditions thereof) to be made by the I-Bank to the Borrower in connection with the Project, in each case, pursuant to and in satisfaction of the Act and all applicable law, (the Long-Term Conditions Precedent identified in the preceding clauses (i), (ii), and (iv) hereof shall be referred to herein as the “Pending Long-Term Conditions Precedent” and the Long-Term Conditions Precedent identified in the preceding clause (iii) hereof shall be referred to herein as the “Completed Long-Term Conditions Precedent”); and

**WHEREAS**, it is the intent of the I-Bank to fund a portion of the Water Bank Construction Financing Program through the issuance of short-term notes in the form of extendable commercial paper, as an obligation of the I-Bank incurred pursuant to the terms of the Act, including, without limitation, N.J.S.A. 58:11B-6, and captioned as “Environmental Infrastructure Extendable Commercial Paper Notes” (with an appropriate series designation, including the year of issuance thereof) (“ECP Notes”), which ECP Notes shall be issued by the I-Bank, as one or more series, pursuant to, and in satisfaction of, (i) the Act, (ii) the Regulations, (iii) the Financial Plan, (iv) this Resolution and (v) the terms and provisions of that certain Indenture, the substantially final form of which is attached hereto as Exhibit A and made a part hereof (the “ECP Indenture”);

**WHEREAS**, pursuant to the terms and provisions of the ECP Indenture and the “Trust Estate” established pursuant to the terms thereof (the “ECP Trust Estate”), the payment of the principal of and interest on the ECP Notes shall be secured by (i) a debt service reserve fund, established, funded (with funds appropriated to the I-Bank for the purpose of securing bonds, notes and other obligations of the I-Bank’s New Jersey Water Bank), sized and maintained pursuant to the terms of the ECP Indenture (the “Debt Service Reserve Fund”), and the other funds, accounts and subaccounts established under the ECP Indenture and the investments therein, which are pledged under the ECP Indenture; (ii) certain short-term obligations of the I-Bank’s New Jersey Transportation Bank that are purchased by or at the direction of the I-Bank with proceeds of the ECP Notes, drawn pursuant to the ECP Indenture, and held by the Trustee (as hereinafter defined) in the Project Fund as permitted investments pursuant to the

terms of the Act and the ECP Indenture, and (iii) the assignment by the I-Bank of its interests in the payment of the principal of and interest on some or all of the notes (the “Water Bank Construction Loan Notes”) issued by the Borrowers to the I-Bank to evidence and secure the payment obligations thereof pursuant to their respective Water Bank Construction Loan, which Water Bank Construction Loan Notes are subject to Long-Term Conversion pursuant to the terms of this Resolution and the terms of the Water Bank Construction Loan Financing Program and are referred to in the ECP Indenture as the “Pledged CFP Notes”;

**WHEREAS**, pursuant to the terms of the ECP Indenture, the ECP Notes shall have a base term of up to but not exceeding one hundred twenty (120) days or the next succeeding business day (the “Base Term”) and a maximum maturity of 270 days (“Maximum Term”);

**WHEREAS**, subject to (i) the refinancing, refunding or “roll” of the ECP Notes pursuant to the terms of the ECP Indenture for one or more additional Base Terms or (ii) the refinancing or refunding of outstanding ECP Notes pursuant to a new commercial paper program pursuant to future Board authorization and the terms of an indenture authorized thereby, the principal of and interest on the ECP Notes will be paid at maturity with (a) the proceeds of I-Bank Bonds pursuant to a Long-Term Conversion of some or all of the Water Bank Construction Loan Notes pledged to secure the ECP Notes as part of the ECP Trust Estate pursuant to the ECP Indenture, it currently being anticipated by the I-Bank that there will be an opportunity, semiannually pursuant to each of the I-Bank’s “Spring Pool” Program and the I-Bank’s “Fall Pool” Program, for the Long-Term Conversion of such Water Bank Construction Loan Notes with proceeds of I-Bank Bonds (subject to Project completion standards) and/or (b) cash-on-hand from the I-Bank, in an amount sufficient to pay the outstanding par amount plus all accrued interest of the then-maturing ECP Notes;

**WHEREAS**, the maturity of the ECP Notes, subject to the refinancing, refunding, or “roll” thereof pursuant to the terms of the ECP Indenture for one or more additional Base Terms, renders the ECP Notes vulnerable to market illiquidity risks, consisting of, but not limited to, the scarcity of demand in the short-term market for the ECP Notes upon maturity thereof; this exposes the I-Bank, as ECP Notes issuer, and the outstanding ECP Notes to default risk if such ECP Note maturity occurs during a period of illiquidity that does not coincide with the I-Bank’s issuance of Bonds for its Spring Pool Program or Fall Pool Program both of which finance the Long-Term Conversion of Water Bank Construction Financing Program Notes;

**WHEREAS**, in order to mitigate the default risk relating to the maturity of ECP Notes during a period of illiquidity referenced in the preceding whereas clause, the ECP Indenture includes the following terms and provisions: (i) the I-Bank, in its sole discretion (including, without limitation, in connection with the termination or suspension by the Dealer of its contractual obligations pursuant to the terms of the Dealer Agreement), may exercise an “extendable feature” pursuant to which the maturity date of the ECP Notes may be extended up to the Maximum Term, thereby establishing an ECP Notes maturity date that shall increase from the Base Term up to the Maximum Term (the “Extendable Feature”), provided, however, that the interest liability of the I-Bank with respect to such outstanding ECP Notes, as extended, shall be increased and payable as provided by the terms of the ECP Indenture; and (ii) the I-Bank may issue I-Bank Bonds on an accelerated and expedited basis and pursuant to (A) a Program other than the Spring Pool Program and the Fall Pool Program (an “Expedited Program” or the “Expedited I-Bank Bonds”), and (B) the Indenture substantially in the form attached hereto as Exhibit B and made a

part hereof (the "Expedited I-Bank Bond Indenture"), in order to realize proceeds from the Long-Term Conversion of Water Bank Construction Financing Program Notes for the expressly limited purpose of achieving one of the following objectives: (1) to prevent a potential payment default of ECP Notes during a period of illiquidity, (2) to cure a payment default of ECP Notes during a period of illiquidity or (3) to redeem ECP Notes, the maturity date of which has been extended pursuant to the "extendable feature" of the ECP Indenture (each of (1) through (3) herein being referred to as an "Expedited I-Bank Bonds Condition to Issuance"); provided further that if an Expedited I-Bank Bonds Condition to Issuance is satisfied with respect to all or any portion of any ECP Note, all outstanding ECP Notes may qualify for inclusion in, and be paid from the proceeds of, the Expedited I-Bank Bonds;

**WHEREAS**, the Expedited I-Bank Bonds shall be issued pursuant to the Expedited I-Bank Bond Indenture, provided, however, that in order to ensure that the Expedited Program can be implemented by the I-Bank on an accelerated and expedited basis, the issuance of the Expedited I-Bank Bonds shall be "pre-approved" in a manner that is applicable exclusively to the Expedited Program, and not applicable to any other Program, with such "pre-approval" consisting of (i) satisfaction of the Completed Long-Term Conditions Precedent, which shall have been completed prior to the date of adoption of this Resolution, and (ii) satisfaction of the Pending Long-Term Conditions Precedent, which shall be completed promptly following the date of adoption of this Resolution and which shall be a condition precedent to the issuance of the ECP Notes;

**WHEREAS**, in order to limit the authority of the I-Bank to issue any of its Expedited I-Bank Bonds pursuant to the "pre-approval" granted as described herein, the Expedited I-Bank Bonds, authorized hereby and pursuant to the Expedited I-Bank Bond Indenture, may be issued for the expressly limited purpose of achieving one of the Expedited I-Bank Bonds Conditions to Issuance; in addition, the express provisions relating to the Expedited I-Bank Bonds Conditions to Issuance shall be set forth in the Expedited I-Bank Bond Indenture as conditions precedent to the issuance of Expedited I-Bank Bonds hereunder and thereunder;

**WHEREAS**, in order to limit the authority of the I-Bank to issue any of its Expedited I-Bank Bonds pursuant to the "pre-approval" granted as described herein, the Expedited I-Bank Bonds, authorized hereby and pursuant to the Expedited I-Bank Bond Indenture, shall be subject to the following additional limitation (in addition to the Expedited I-Bank Bonds Conditions to Issuance defined hereinabove): the aggregate proceeds generated from the sale of the Expedited I-Bank Bonds that may be issued by the I-Bank pursuant to this Resolution and the Expedited I-Bank Bond Indenture shall not exceed that amount that shall be sufficient to pay (i) the aggregate principal of and accrued interest on the outstanding ECP Notes, plus (ii) (A) that amount, in excess of the amount identified in clause (i) hereof, that shall be required in order to ensure funding of 100% of the cost of completing construction of each Project that is the subject of the Long-Term Conversion of Water Bank Construction Loan Notes through such Expedited I-Bank Bonds financing, including capitalized interest, (B) costs of issuance relating to the issuance of such Expedited I-Bank Bonds and (C) any fee that is due and owing to the NJDEP and/or the I-Bank that is financed by the Borrower for the Project (the total of the amounts calculated pursuant to each of clause (i) and clause (ii), herein, shall be referred to as the "Expedited I-Bank Bonds Aggregate Principal Amount Cap");

**WHEREAS**, the I-Bank intends to issue its ECP Notes, to be dated the date of issuance thereof, (i) in one or more series, (ii) in an aggregate outstanding principal amount not to exceed \$150,000,000, (iii)

on one or more dates of issuance thereof, and (iv) bearing interest at a rate or rates determined in accordance with the terms of the ECP Indenture; provided, however, that the interest rate shall not exceed twelve percent (12%) per annum (the "Maximum Rate"); provided, however, that in no event shall the Maximum Rate exceed the maximum amount permitted by any applicable usury or similar law, subject to and in accordance with the terms hereof and the terms of the ECP Indenture, in order to finance a portion of the Water Bank Construction Financing Program and a portion of the costs of certain Projects funded pursuant to the Water Bank Construction Financing Program, as such Projects shall be determined and selected by an Authorized Officer of the I-Bank, which ECP Notes shall be secured by the ECP Trust Estate as defined in the ECP Indenture; and

**WHEREAS**, upon satisfaction of (i) the Completed Long-Term Conditions Precedent, (ii) the Pending Long-Term Conditions Precedent and (iii) one of the Expedited I-Bank Bonds Conditions to Issuance, and subject to the limitations of the Expedited I-Bank Bonds Aggregate Principal Amount Cap, the I-Bank intends to issue its Expedited I-Bank Bonds, to be dated the date of issuance thereof, in one or more bond series and on one or more dates of issuance, in each case, as shall be determined by the Chairperson of the I-Bank, the Vice-Chairperson of the I-Bank, the Secretary of the I-Bank or the Executive Director of the I-Bank, or any other person or persons designated by the Board by resolution to act on behalf of the I-Bank, but in each case subject to the limitations of the by-laws of the I-Bank (each, an "Authorized Officer"), subject to and in accordance with the terms hereof and the terms of the Expedited I-Bank Bond Indenture, for the limited purpose of achieving one of the Expedited I-Bank Bonds Conditions to Issuance, which Expedited I-Bank Bonds shall be secured by the "Trust Estate" as defined in the Expedited I-Bank Bond Indenture (the "Expedited I-Bank Bond Trust Estate"); and

**WHEREAS**, it is the desire of the Board, in furtherance of the foregoing, that the Authorized Officers each be severally authorized and directed to act on behalf of the I-Bank and implement (i) the issuance and sale of one or more series of the ECP Notes described herein pursuant to the terms and provisions and in the manner set forth herein and in the ECP Indenture, subject to the limitations and conditions set forth herein and therein (ii) the issuance and sale of one or more series of the Expedited I-Bank Bonds pursuant to the terms and provisions and in the manner set forth herein and in the Expedited I-Bank Bond Indenture, subject to the limitations and conditions set forth herein and therein, and (iii) such other actions in connection with the foregoing or such other actions as shall be necessary or appropriate in furtherance of the intent and purposes of this Resolution.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the New Jersey Infrastructure Bank, as follows:

**Section 1. Recitals: Issuance of ECP Notes; the ECP Indenture.** (A) The recitals set for above are incorporated herein by reference as if set forth at length herein. In furtherance of the Water Bank Construction Financing Program, the Board hereby approves the issuance of the ECP Notes, in one or more series, in an aggregate outstanding principal amount not to exceed \$150,000,000. The ECP Notes shall be issued (1) pursuant to the terms and provisions of the ECP Indenture, by and between the I-Bank and the trustee to be named therein (the "Trustee"), in substantially the form attached hereto as Exhibit A and made a part hereof, with such revisions and modifications thereto as shall be approved by an Authorized Officer after consultation with Bond Counsel to the I-Bank and the Office of the Attorney General of the State, such approval to be evidenced by the execution thereof by such Authorized Officer, and (2) in satisfaction of the terms and provisions of, and subject to the conditions precedent set forth

in, (i) the Act, (ii) the Regulations, (iii) the Financial Plan and (iv) this Resolution. The Authorized Officers are each hereby severally authorized and directed to pursue and achieve satisfaction of the Pending Long-Term Conditions Precedent, with respect to the Expedited I-Bank Bonds, as a condition precedent to the issuance of the ECP Notes.

(B) The issuance of the ECP Notes pursuant to the ECP Indenture shall be subject to the following terms and provisions:

(1) the ECP Notes may be issued as either a tax-exempt obligation or a taxable obligation of the I-Bank pursuant to the Internal Revenue Code of 1986, as amended, as shall be determined by an Authorized Officer following consultation with Bond Counsel to the I-Bank;

(2) the final maturity of the ECP Notes then outstanding shall not exceed the then applicable Base Term from the date of issuance thereof, subject to the exercise by an Authorized Officer of the Extendable Feature for one or more additional terms of up to the Maximum Term, subject to the refinancing, refunding or a “roll” thereof;

(3) the maximum interest rate to be borne by the ECP Notes during the Base Term, upon exercise by an Authorized Officer of the Extendable Feature or upon the occurrence of a specified event as provided by the ECP Indenture shall not exceed the Maximum Rate;

(4) the ECP Notes shall be issuable as fully registered notes without coupons in denominations of \$100,000 and any integral multiples of \$1,000 in excess thereof;

(5) the ECP Notes and the interest thereon shall be transferable by and shall be payable to the registered owners thereof in the manner and with the effect provided in the ECP Indenture;

(6) the ECP Notes shall not be subject to redemption during their Base Term; provided, however, if the I-Bank exercises (or is deemed to have exercised) its option to extend the maturity of an ECP Note, such ECP Note shall be subject to redemption as and to the extent provided in the ECP Indenture;

(7) the Trustee and Issuing and Paying Agent shall be selected by an Authorized Officer pursuant to the I-Bank’s procurement policy, as amended, and shall act as Trustee and Issuing and Paying Agent as defined in, and pursuant to the terms and provisions of, the ECP Indenture for the duration of the term as established by the ECP Indenture and pursuant to the terms and provisions of an Issuing and Paying Agent Agreement (the “Issuing and Paying Agent Agreement”), in customary form, with such revisions and modifications thereto as shall be approved by an Authorized Officer after consultation with Bond Counsel to the I-Bank and the Office of the Attorney General of the State, such approval to be evidenced by the execution thereof by such Authorized Officer;

(8) the payment of the principal and redemption premium, if any, of and interest on the ECP Notes shall be secured by the ECP Trust Estate as defined herein and in the ECP Indenture, and such ECP Trust Estate shall include, without limitation, the Debt Service Reserve Fund; and

(9) the proceeds of the ECP Notes may be invested by an Authorized Officer as and to the extent provided in the ECP Indenture until disbursed as provided by the terms of the ECP Indenture, which permitted investments (as provided in the ECP Indenture) shall include, without limitation, investments in short term obligations of the I-Bank's Transportation Bank (pursuant to and in satisfaction of the provisions of N.J.S.A. 58:11B-5(n)), with such investment proceeds, as derived by the I-Bank's Transportation Bank, to be used thereby as a method of funding and financing by the I-Bank's Transportation Bank of its "Transportation Bank Construction Financing Program."

(C) The proceeds of the ECP Notes shall be utilized as a funding source for all Borrowers, with a Water Bank Construction Loan (unless specifically excluded by an Authorized Officer for such reasons including Borrower credit eligibility status or Borrower tax status), on a pro-rata basis as determined by the amount of outstanding funds drawn on each Water Bank Construction Loan as a percentage of the total amount of funds disbursed in the Water Bank Construction Program on any given date.

(D) In the event that an Authorized Officer determines that it may be advantageous to the Water Bank to designate and market the ECP Notes as "Green Notes", such ECP Notes shall be designated by the title, "Environmental Infrastructure Extendable Commercial Paper Notes (with an appropriate series designation, including the year of issuance thereof) (Green Notes)".

**Section 2. Issuance of Expedited I-Bank Bonds; the Expedited I-Bank Bond Indenture.** (A) In furtherance of the Water Bank Construction Financing Program, the Board hereby approves the issuance of the Expedited I-Bank Bonds, on an accelerated and expedited basis and in one or more series, in an aggregate principal amount not to exceed the Expedited I-Bank Bonds Aggregate Principal Amount Cap. The Expedited I-Bank Bonds shall be issued on an accelerated and expedited basis (1) pursuant to the terms and provisions of the Expedited I-Bank Bond Indenture, by and between the I-Bank and the trustee then under contract for the I-Bank's Long-Term Bond Issuances in substantially the form attached hereto as Exhibit B and made a part hereof, with such revisions and modifications thereto as shall be approved by an Authorized Officer after consultation with Bond Counsel to the I-Bank and the Office of the Attorney General of the State, such approval to be evidenced by the execution thereof by such Authorized Officer, (2) in satisfaction of the terms and provisions of, and subject to the conditions precedent set forth in, (i) the Act, (ii) the Regulations, (iii) the Financial Plan and (iv) this Resolution, (3) subject to satisfaction of the Pending Long-Term Conditions Precedent, and (4) subject to satisfaction of one of the Expedited I-Bank Bonds Conditions to Issuance. The Authorized Officers are hereby severally authorized and directed to pursue and achieve satisfaction of the Pending Long-Term Conditions Precedent as a condition precedent to the issuance of the ECP Notes.

(B) The issuance of the Expedited I-Bank Bonds, on an accelerated and expedited basis, pursuant to the Expedited I-Bank Bond Indenture shall be subject to the following terms and provisions:

(1) the Expedited I-Bank Bonds may be issued as either a tax-exempt obligation of the I-Bank or a taxable obligation of the I-Bank pursuant to the Internal Revenue Code of 1986, as amended, as shall be determined by an Authorized Officer following consultation with Bond Counsel to the I-Bank;

(2) the final maturity of the Expedited I-Bank Bonds shall not exceed thirty (30) years from the date of their issuance;

(3) the maximum interest rate to be borne by the Expedited I-Bank Bonds shall not exceed the Maximum Rate;

(4) the Expedited I-Bank Bonds shall be issuable as fully registered bonds without coupons in such denominations as set forth in the Expedited Bond Indenture;

(5) the Expedited I-Bank Bonds and the interest thereon shall be transferable by and shall be payable to the registered owners thereof in the manner and with the effect provided in the Expedited I-Bank Bond Indenture;

(6) the Expedited I-Bank Bonds shall be subject to mandatory and optional redemption prior to maturity as provided in the Expedited I-Bank Bond Indenture, as such redemption provisions shall be determined by an Authorized Officer, in consultation with the I-Bank's Financial Advisor, at the time of, and in connection with, the sale of the Expedited I-Bank Bonds;

(7) the trustee then under contract for the I-Bank's Long-Term Bond Issuances shall act as Trustee and Paying Agent as defined in, and pursuant to, the terms and provisions of, the Expedited I-Bank Bond Indenture;

(8) the payment of the principal and redemption premium, if any, of and interest on the Expedited I-Bank Bonds shall be secured by the Expedited I-Bank Bond Trust Estate as defined herein and in the Expedited I-Bank Bond Indenture; and

(9) the proceeds of the Expedited I-Bank Bonds may be invested by an Authorized Officer as and to the extent provided in the Expedited I-Bank Bond Indenture until disbursed as provided by the terms of the Expedited I-Bank Bond Indenture.

(C) The proceeds of the Expedited I-Bank Bonds shall be used to fund the I-Bank loan made by the I-Bank to each Borrower that is participating in the Expedited Program in order to realize proceeds from the Long-Term Conversion of Water Bank Construction Financing Program Notes so as to achieve one of the Expedited I-Bank Bonds Conditions to Issuance. The Borrowers that shall participate in the Expedited Program shall be selected by an Authorized Officer.

(D) In the event that an Authorized Officer determines that it is advantageous for the I-Bank to designate and market the Expedited I-Bank Bonds as "Green Bonds", such Expedited I-Bank Bonds shall be designated by the title, "Environmental Infrastructure Bonds (with an appropriate series designation, including the year of issuance thereof) (Green Bonds)".

**Section 3. Approval, Execution and Delivery of the ECP Notes, the ECP Indenture and the Additional ECP Documents.** The Board hereby authorizes and directs (i) any Authorized Officer to approve, execute and deliver each of the following, and (ii) the Secretary and the Assistant Secretary of



the I-Bank, where required, to affix the corporate seal of the I-Bank, and to attest to the signature of the Authorized Officer, on each of the following:

(A) the ECP Indenture, in conformity with the terms and provisions set forth in Section 1 hereof; and

(B) the ECP Notes, (1) in conformity with the terms and provisions set forth in Section 1 hereof and (2) substantially in the form of Exhibit A to the ECP Indenture, with such revisions and modifications thereto as shall be approved by an Authorized Officer after consultation with Bond Counsel to the I-Bank and the Office of the Attorney General of the State, such approval to be evidenced by the execution thereof by such Authorized Officer; and

(C) any other documents, certificates and/or instruments, including, but not limited to, the Issuing and Paying Agent Agreement (collectively, the "Additional ECP Documents"), as may be determined by an Authorized Officer to be necessary, convenient or desirable in order to implement the provisions of (1) this Resolution, (2) the ECP Indenture and (3) the ECP Notes, so as to effect the transactions contemplated hereby and thereby, and to issue, sell and deliver the ECP Notes.

The execution of the ECP Indenture, the ECP Notes and the Additional ECP Documents, if any, by an Authorized Officer shall be deemed to be conclusive evidence of approval by such Authorized Officer of such document.

**Section 4. Approval, Execution and Delivery of the Expedited I-Bank Bonds, the Expedited I-Bank Bond Indenture and the Additional Expedited I-Bank Bond Documents.** The Board hereby authorizes and directs (i) any Authorized Officer to approve, execute and deliver each of the following, and (ii) the Secretary and the Assistant Secretary of the I-Bank, where required, to affix the corporate seal of the I-Bank, and to attest to the signature of the Authorized Officer, on each of the following:

(A) the Expedited I-Bank Bond Indenture, in conformity with the terms and provisions set forth in Section 2 hereof; and

(B) the Expedited I-Bank Bonds, (1) in conformity with the terms and provisions set forth in Section 2 hereof and (2) substantially in the form of Exhibit A to the Expedited I-Bank Bond Indenture, with such revisions and modifications thereto as shall be approved by an Authorized Officer after consultation with Bond Counsel to the I-Bank and the Office of the Attorney General of the State, such approval to be evidenced by the execution thereof by such Authorized Officer; and

(C) any other documents, certificates and/or instruments (collectively, the "Additional Expedited I-Bank Bond Documents") as may be determined by an Authorized Officer to be necessary, convenient or desirable in order to implement the provisions of (1) this Resolution, (2) the Expedited I-Bank Bond Indenture and (3) the Expedited I-Bank Bonds, so as to effect the transactions contemplated hereby and thereby, and to issue, sell and deliver the Expedited I-Bank Bonds.

The execution of the Expedited I-Bank Bond Indenture, the Expedited I-Bank Bonds and the Additional Expedited I-Bank Bond Documents, if any, by an Authorized Officer shall be deemed to be conclusive evidence of approval by such Authorized Officer of such document.

**Section 5. Authorization of Negotiated Sale; Appointment of Parties; Approval of Dealer Agreement; Selection of Dealer; Determination under Executive Order No. 26; Amendment to Resolution 21-02.**

(a) In accordance with Executive Order No. 26 (Whitman 1994) (“Executive Order No. 26”), the I-Bank hereby determines to sell the ECP Notes pursuant to a “negotiated sale” and finds that a negotiated sale is permissible as a result of the complex financing structure and volatile interest rate conditions. Pursuant to Resolution 21-02 approved by the Board on January 14, 2021 (“Resolution 21-02”), the Board authorized the appointment of Morgan Stanley & Co. LLC (“Morgan Stanley”) as dealer (the “Dealer”). In accordance with Executive Order No. 26, the I-Bank hereby ratifies the selection of Morgan Stanley as the Dealer for the ECP Notes. Further, the I-Bank hereby amends Resolution 21-02, as adopted by the Board, for the purpose of extending the three (3) year term of the ECP Note program, and the appointment of Morgan Stanley as Dealer therefor, as such term is established by such Resolution 21-02, to a term of five (5) years, provided, however, that that ECP Notes issued by the I-Bank at any time during such five (5) year term may mature subsequent to the conclusion of such five (5) year term if (i) the scheduled maturity of any ECP Notes, issued during such five (5) year term, occurs subsequent to the conclusion of such five (5) year term, and/or (ii) the implementation by the I-Bank of the Extendable Feature with respect to any ECP Notes issued during such five (5) year term (regardless of whether the scheduled maturity of such ECP Notes occurs during or subsequent to the conclusion of such five (5) year term) is exercised during or subsequent to the expiration of such five (5) year term and results in the extended maturity of ECP Notes occurring subsequent to the expiration of such five (5) year term. In no event shall an ECP Note mature more than 270 days after the expiration of such five (5) year term.

(b) The purchase of the ECP Notes by the Dealer and the sale of the ECP Notes by the I-Bank to the Dealer shall be subject to the execution by the I-Bank and the Dealer of an Extendable Commercial Paper Dealer Agreement (a “Dealer Agreement”), in substantially the form attached hereto as Exhibit C and made a part hereof, with such revisions and modifications thereto as shall be approved by an Authorized Officer after consultation with Bond Counsel to the I-Bank and the Office of the Attorney General of the State, such approval to be evidenced by the execution thereof by such Authorized Officer. The Authorized Officers are, and each such Authorized Officer is, hereby severally authorized and directed on behalf of the I-Bank to approve the terms of the Dealer Agreement and to execute and deliver such Dealer Agreement, provided that the provisions of such Dealer Agreement are acceptable to counsel to the I-Bank (including Bond Counsel and the Attorney General of the State) and (i) the amount of the annual compensation to be paid to the Dealer does not exceed 0.08% of the ECP Notes outstanding sold by the Dealer and (ii) the aggregate outstanding principal amount, interest rate, and final maturity date of the ECP Notes shall not exceed the limitations set forth in this Resolution.

**Section 6. The Marketing and Sale of the ECP Notes.** (A) The Authorized Officers are hereby severally authorized and directed to undertake the marketing and sale of the ECP Notes as and when provided by, and pursuant to and in satisfaction of, the terms and provisions of (1) the Act, (2) the Regulations, (3) the Financial Plan, (4) this Resolution, (5) the ECP Indenture and (6) all other applicable law. Such action by an Authorized Officer shall be undertaken after consultation with Bond Counsel to the I-Bank, the Office of the Attorney General of the State and other appropriate professional advisors to the I-Bank for verification as to the satisfaction of the terms and provisions outlined above and shall

comply with all conditions precedent to such action as identified in this Resolution and the applicable terms and provisions of the ECP Indenture.

(B) The Authorized Officers are hereby severally authorized and directed to execute and deliver a final offering memorandum relating to the ECP Notes authorized hereby (the "Offering Memorandum"), which Offering Memorandum shall be in a form, and shall include such provisions, as the Authorized Officer, after consultation with Bond Counsel to the I-Bank, the Office of the Attorney General of the State and any other appropriate professional advisors to the I-Bank, deems in his or her sole discretion to be necessary or desirable, the delivery thereof by the Authorized Officer shall conclusively evidence his or her consent to the provisions thereof.

(C) The Authorized Officers are hereby severally authorized at their discretion to disseminate the Offering Memorandum via electronic medium, in addition to or in lieu of physical, printed medium; provided, however, that in disseminating the Offering Memorandum via such medium, such Authorized Officer shall otherwise fully comply with the provisions of this Section.

(D) In furtherance of the sale of the ECP Notes, the Authorized Officers shall comply with the applicable terms and provisions of N.J.S.A. 58:11B-9(d) and, to the extent determined by an Authorized Officer, after consultation with Bond Counsel to the I-Bank and the Office of the Attorney General of the State, to be necessary, convenient or desirable in order to undertake such sale as permitted by terms and provisions of N.J.S.A. 58:11B-9(d), any Authorized Officer is hereby authorized and directed to approve, execute and deliver, and the Secretary and the Assistant Secretary of the I-Bank, where required, are hereby severally authorized and directed to affix the corporate seal of the I-Bank, and to attest to the signature of the Authorized Officer, on such agreements or other instruments, pursuant to the terms and provisions of N.J.S.A. 58:11B-5(d), so as to effect the sale of the ECP Notes pursuant to and in satisfaction of the provisions of (1) the Act, (2) this Resolution and (3) the ECP Indenture.

**Section 7. The Marketing and Sale of the Expedited I-Bank Bonds.** (A) The Authorized Officers are hereby severally authorized and directed to undertake the marketing and sale of the Expedited I-Bank Bonds as and when provided by, and pursuant to and in satisfaction of, the terms and provisions of (1) the Act, (2) the Regulations, (3) the Financial Plan, (4) this Resolution, (5) the Expedited I-Bank Bond Indenture and (6) all other applicable law. Such action by an Authorized Officer shall be undertaken after consultation with Bond Counsel to the I-Bank, the Office of the Attorney General of the State and other appropriate professional advisors to the I-Bank for verification as to the satisfaction of the terms and provisions outlined above and shall comply with all conditions precedent to such action as identified in this Resolution and the applicable terms and provisions of the Expedited I-Bank Bond Indenture.

(B) In furtherance of the marketing of the Expedited I-Bank Bonds, the Authorized Officers are hereby severally authorized and directed to prepare a notice of sale (the "Notice of Sale") and a preliminary official statement relating to the Expedited I-Bank Bonds (the "Preliminary Official Statement"), which Notice of Sale and Preliminary Official Statement shall be in the form, and shall include such provisions, as the Authorized Officer, after consultation with Bond Counsel to the I-Bank, the Office of the Attorney General of the State and other appropriate professional advisors to the I-Bank, deems in his or her sole discretion to be necessary or desirable, the delivery thereof by the Authorized Officer being conclusive evidence of his or her consent to the provisions thereof.

(C) The Authorized Officers are hereby severally authorized and directed, upon the satisfaction of all of the legal conditions precedent to the delivery and dissemination of the Preliminary Official Statement by the I-Bank, as determined by the Authorized Officer in consultation with Bond Counsel to the I-Bank and the Office of the Attorney General of the State, to “deem final” the Preliminary Official Statement, in accordance with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the “SEC”) pursuant to the Securities Exchange Act of 1934, as amended or supplemented, including any successor regulation or statute thereto (“Rule 15c2-12”), and to deliver and disseminate the Preliminary Official Statement in the form established by the provisions of subparagraph (B) hereof.

(D) The Authorized Officers are hereby severally authorized and directed to execute any certificate or document, including, without limitation, a continuing disclosure agreement, and to take such other actions as may be necessary or desirable, relating to compliance with any statutes, regulations, rules or other procedures of the SEC, the Municipal Securities Rulemaking Board or any state securities entity, including, without limitation, Rule 15c2-12, that the Authorized Officer, after consultation with Bond Counsel to the I-Bank and the Office of the Attorney General of the State, deems necessary or desirable to effect the issuance, marketing and sale of the Expedited I-Bank Bonds authorized hereby, and the transactions contemplated by the Preliminary Official Statement.

(E) The Authorized Officers are hereby severally authorized and directed to execute and deliver a final official statement relating to the Expedited I-Bank Bonds authorized hereby (the “Official Statement”), in substantially similar form to the Preliminary Official Statement, with such changes thereto as shall be necessary or desirable to reflect the final pricing of the Expedited I-Bank Bonds, as set forth in any documents relating to the sale of the I-Bank Bonds, and to reflect any other changes required or permitted pursuant to any statutes, regulations, rules or other procedures of the SEC, the Municipal Securities Rulemaking Board or any state securities entity, including, without limitation, Rule 15c2-12, as the Authorized Officer, after consultation with Bond Counsel to the I-Bank, the Office of the Attorney General of the State and any other appropriate professional advisors to the I-Bank, deems in his or her sole discretion to be necessary or desirable to effect the issuance of the Expedited I-Bank Bonds and the transactions contemplated by the Official Statement, which delivery thereof by the Authorized Officer shall conclusively evidence his or her consent to the provisions thereof.

(F) The Authorized Officers are hereby severally authorized at their discretion to disseminate the Preliminary Official Statement and/or the Official Statement via electronic medium, in addition to or in lieu of physical, printed medium; provided, however, that in disseminating the Preliminary Official Statement and/or the Official Statement via such medium, such Authorized Officer shall otherwise fully comply with the provisions of this Section.

(G) In furtherance of the sale of the Expedited I-Bank Bonds, the Authorized Officers shall comply with the applicable terms and provisions of N.J.S.A. 58:11B-6(d) and, to the extent determined by an Authorized Officer, after consultation with Bond Counsel to the I-Bank and the Office of the Attorney General of the State, to be necessary, convenient or desirable in order to undertake such sale as permitted by terms and provisions of N.J.S.A. 58:11B-6(d), any Authorized Officer is hereby severally authorized and directed to approve, execute and deliver, and the Secretary and the Assistant Secretary of the I-Bank, where required, are hereby severally authorized and directed to affix the corporate seal of the I-Bank, and to attest to the signature of the Authorized Officer, on such agreement or other instruments, pursuant to the terms and provisions of N.J.S.A. 58:11B-5(d), so as to effect the sale of the

Expedited I-Bank Bonds pursuant to and in satisfaction of the provisions of (1) the Act, (2) this Resolution and (3) the Expedited I-Bank Bond Indenture.

**Section 8. Further Action.** The Board hereby authorizes any Authorized Officer, after consultation with Bond Counsel to the I-Bank and the Office of the Attorney General of the State, to take such other actions, to execute such other documents and instruments, and to seek such other consents and take such actions as may be necessary or desirable (and not inconsistent with the terms and provisions of the Act, the Regulations, the Financial Plan, this Resolution and, as applicable, the ECP Indenture and the Expedited I-Bank Bond Indenture) in order to effect the issuance and sale, as the case may be, of the ECP Notes and the Expedited I-Bank Bonds, and to further the intent and purposes of this Resolution.

**Section 9. Effective Date.** This Resolution shall become effective (i) in accordance with the terms of Section 4(i) of the Act (N.J.S.A. 58:11B-4(i)), and (ii) upon receipt of the approval in writing of the Governor and the Treasurer of the State in accordance with the terms of Section 4(j) of the Act (N.J.S.A. 58:11B-4(j)) .

Adopted Date: March 25, 2021

Motion Made By: Mr. Robert Briant, Jr.

Motion Seconded By: Mr. Michael Kanef

Ayes: 7

Nays: 0

Abstentions: 0

## EXHIBIT A

**Draft #3**

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**NEW JERSEY INFRASTRUCTURE BANK**

**And**

**[\_\_\_\_\_], as Trustee**

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**INDENTURE OF TRUST**

**dated as of \_\_\_\_\_, 2021**

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**Environmental Infrastructure Extendable Commercial Paper  
Notes [(Green Notes)], Series 2021A-1N**

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**Appendix A**

**Appendix B**

## INDENTURE OF TRUST

This **INDENTURE OF TRUST** (this “Indenture,” as defined herein), dated as of \_\_\_\_\_, 2021, by and between the **NEW JERSEY INFRASTRUCTURE BANK**, a public body corporate and politic constituting an instrumentality of the State of New Jersey with corporate succession (the “I-Bank”), and [\_\_\_\_\_], a national banking association, duly organized, validly existing and authorized to accept and execute trusts of the character herein set out under and by virtue of the laws of the State of New Jersey, as trustee (together with any successor trustee hereunder and their respective successors and assigns, the “Trustee”).

## RECITALS

**WHEREAS**, pursuant to and in accordance with (i) the “New Jersey Infrastructure Trust Act”, constituting Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey (the “State”) (codified at N.J.S.A. 58:11B-1 *et seq.*), as the same from time to time may be amended and supplemented (the “Act”), (ii) a resolution, duly adopted by the Board of Directors (the “Board”) of the I-Bank, and (iii) a financial plan, approved by the Legislature of the State in accordance with Sections 21, 21.1, 22 and 22.1 of the Act, the I-Bank may issue bonds, notes or other obligations, from time to time, for the purpose of making loans to qualifying borrowers from the proceeds of such bonds, notes or other obligations in order to finance a portion of the allowable costs of such borrower’s environmental infrastructure facilities (“Environmental Infrastructure Facilities”) (consisting of Wastewater Treatment Facilities, Stormwater Management Facilities or Water Supply Facilities, as such terms are defined in the rules and regulations, as applicable, now or hereafter promulgated under N.J.A.C. 7:22-3 *et seq.*, 7:22-4 *et seq.*, 7:22-5 *et seq.*, 7:22-6 *et seq.*, 7:22-7 *et seq.*, 7:22-8 *et seq.*, 7:22-9 *et seq.* and 7:22-10 *et seq.*, as the same from time to time may be amended and supplemented (the “Regulations”)); and

**WHEREAS**, pursuant to Section 6(c) of the Act, the I-Bank is authorized to enter into a trust indenture providing for the issuance of such bonds, notes or other obligations and for their payment and security; and

**WHEREAS**, the I-Bank has determined to issue \$150,000,000 aggregate outstanding principal amount of its Environmental Infrastructure Extendable Commercial Paper Notes [(Green Notes)], Series 2021A-1N (the “Series 2021A ECP Notes”) from time to time, the proceeds of which will be applied (i) to make loans to qualified borrowers and for any other purposes for which bonds, notes or other obligations of the I-Bank may be issued pursuant to the Act and (ii) to pay the costs of issuing the Series 2021A ECP Notes, all pursuant to the terms and provisions of the ECP Resolution (as herein defined) and this Indenture; and

**WHEREAS**, the Trustee has the power to enter into this Indenture and to execute the trusts hereby created and has accepted the trusts so created and in evidence thereof has joined in the execution hereof; and

**WHEREAS**, all things necessary to make the Series 2021A ECP Notes, when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding and legal obligations of the I-Bank according to the import thereof, and to constitute this Indenture a valid assignment and pledge of the amounts assigned and pledged to the payment of the principal of and

interest on the Series 2021A ECP Notes have been done and performed, and the creation, execution and delivery of this Indenture, and the creation, execution and issuance of the Series 2021A ECP Notes, subject to the terms hereof, have in all respects been duly authorized;

## **GRANTING CLAUSES**

### **NOW, THEREFORE, THIS INDENTURE FURTHER WITNESSETH:**

That the I-Bank, in consideration of the promises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Series 2021A ECP Notes by the holders and owners thereof, and for good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of and interest on the Series 2021A ECP Notes according to their tenor and effect, and to secure the performance and observance by the I-Bank of all of the covenants expressed or implied herein and in the Series 2021A ECP Notes, does hereby grant, bargain, sell, convey, assign and pledge, and grant a security interest in, to the Trustee, and its successors in trust and assigns forever, to the extent provided in this Indenture (capitalized terms used in these granting clauses and not defined herein shall have the meanings ascribed thereto in Section 1.01 hereof):

### **GRANTING CLAUSE FIRST**

All rights, title and interest of the I-Bank to receive payments under the Pledged CFP Notes;

### **GRANTING CLAUSE SECOND**

All rights, title and interest of the I-Bank in, to and under all funds, accounts and subaccounts established by this Indenture (other than the Project Fund, the Administrative Fee Account and the Costs of Issuance Account in the Operating Expense Fund, and the Rebate Fund; provided, however, that investments held in the Project Fund are pledged to the payment of the principal of and interest on the Series 2021A ECP Notes), including, without limitation, the CP Payment Fund (which fund and the accounts and subaccounts therein shall be held and administered by the Issuing and Paying Agent pursuant to the terms hereof), including investments, if any, thereof, subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture;

### **GRANTING CLAUSE THIRD**

All other property of any kind, if any, mortgaged, pledged or hypothecated by the I-Bank at any time as and for additional security for the Series 2021A ECP Notes, or by anyone properly authorized on behalf of the I-Bank or with its written consent, in favor of the Trustee, which is hereby authorized to receive all such property at any time and to hold and apply it subject to the terms hereof;

**TO HAVE AND TO HOLD** all the same with all privileges and appurtenances hereby transferred, pledged, conveyed, assigned and/or granted, or agreed or intended to be, to the Trustee and its assigns in trust forever;

**IN TRUST**, however, on the terms and conditions herein for the equal and proportionate benefit, security and protection of the holders from time to time of the Series 2021A ECP Notes Outstanding, without preference, priority or distinction as to participation in the lien, benefit and protection of this Indenture of one Series 2021A ECP Note over or from the others, except as herein otherwise expressly provided. The I-Bank hereby covenants and agrees with the Trustee and with the respective Noteholders, from time to time, of the Series 2021A ECP Notes as follows:

## **ARTICLE I**

### **DEFINITIONS AND RULES OF INTERPRETATION**

**Section 1.1 Definitions.** Unless the context otherwise requires, for all purposes of this Indenture, the terms defined in this Section 1.01 shall have the meanings specified below:

**“Account”** means any account designated and established hereunder.

**“Act”** means the “New Jersey Infrastructure Trust Act”, constituting Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey (N.J.S.A. 58:11B-1 *et seq.*), as the same may from time to time be amended and supplemented.

**“Agent” or “Issuing and Paying Agent”** means [\_\_\_\_\_], a national banking association, and any other issuing and paying agent appointed pursuant to Section 7.2 of this Indenture, and their successors.

**“Applicable”** means (i) with reference to any Fund, Account or Subaccount so designated and established by this Indenture, the Fund, Account or Subaccount so designated and established and (ii) with respect to any CFP Note, the CFP Note delivered by a Borrower to the I-Bank to secure a borrowing through the I-Bank’s Construction Financing Program.

**“Authorized Officer”** means (i) in the case of the I-Bank, the Chairperson, Vice-Chairperson, Secretary or Executive Director of the I-Bank, or any other person or persons designated by the Board by resolution to act on behalf of the I-Bank pursuant to this Indenture; the designation of such person or persons shall be evidenced by a written Certificate containing the specimen signature of such person or persons and signed on behalf of the I-Bank by its Chairperson, Vice-Chairperson, Secretary or Executive Director and delivered to the Trustee; (ii) in the case of a Borrower, any person or persons authorized pursuant to a resolution or ordinance of the governing body of the Borrower to perform any act or execute any document; the designation of such person or persons shall be evidenced by a certified copy of such resolution or ordinance delivered to the I-Bank and the Trustee; (iii) in the case of the Trustee or the Issuing and Paying Agent, any person or persons authorized to perform any act or execute any document; the designation of such person or persons shall be evidenced by a written Certificate containing the specimen signature of such person or persons reasonably acceptable to the I-Bank and (iv) in the case of the Dealer, any person or persons authorized to perform any act or execute any document; the designation of such person or persons shall be evidenced by a written Certificate containing the specimen signature of such person or persons reasonably acceptable to the I-Bank.

**“Available Coverage Amount”** has the meaning given such term in Section 5.8 hereof.

**“Beneficial Owner”** means the person in whose name a Series 2021A ECP Note is recorded as beneficial owner of such Series 2021A ECP Note on the records of a participant of the Depository.

**“Board”** means the Board of Directors of the I-Bank, or if said Board shall be abolished, the board, body, commission or agency succeeding to the principal functions thereof or to whom the powers and duties granted or imposed by this Indenture shall be given by law.

**“Book-Entry System”** means a book-entry system established and operated for the recordation of beneficial ownership interests in the Series 2021A ECP Notes pursuant to this Indenture.

**“Bond Act Funds”** means funds appropriated to the I-Bank for the purpose of establishing reserves from any of the following acts: (i) the Water Supply Bond Act of 1981, P.L. 1981, c. 261, as the same may from time to time be amended and supplemented, (ii) the Wastewater Treatment Bond Act of 1985, P.L. 1985, c. 329, as the same may from time to time be amended and supplemented, (iii) the Stormwater Management and Combined Sewer Overflow Abatement Bond Act of 1989, P.L.1989, c. 181, as the same may from time to time be amended and supplemented, (iv) the Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992, P.L. 1992, c. 88, as the same may from time to time be amended and supplemented, (v) the Dam, Lake, Stream, Flood Control, Water Resources, and Wastewater Treatment Project Bond Act of 2003, P.L.2003, c. 162, as the same may from time to time be amended and supplemented and (vi) any other bond act of the State, that may hereafter be enacted, pursuant to which funds are appropriated to the I-Bank for the purpose of establishing debt service reserves securing obligations of the I-Bank, if and to the extent an Authorized Officer of the I-Bank determines that such funds shall be made available for the purposes provided in this Indenture.

**“Bond Counsel”** means a law firm, appointed by the I-Bank, having a reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds.

**“Borrower”** means any Local Government Unit or Private Entity (as such terms are defined in the Act authorized to construct, operate and maintain environmental infrastructure facilities and that has issued a CFP Note to the I-Bank in connection with the procurement of Project funding through the I-Bank’s Construction Financing Program.

**“Borrower’s Project” or “Project”** means the project of the Borrower financed through the I-Bank’s Construction Financing Program which constitutes a project for which the I-Bank is permitted to make a loan to the Borrower pursuant to the Act.

**“Business Day”** means a day other than (i) a Saturday, Sunday, legal holiday in the State or other day on which banking institutions in the State of New York or the State or the city in which the Designated Office of the Issuing and Paying Agent or the Dealer is located are authorized or required by law or executive order to close, (ii) a day on which the New York Stock Exchange is closed or (iii) when the Book-Entry System is in effect, a day on which the Depository is not scheduled to be open for money market instrument settlement services.

**“Certificate”, “Order”, “Request”, “Requisition” and “Statement”** mean, respectively, a written Certificate, order, request, requisition or statement signed in the name of the I-Bank, the Trustee or a Borrower by an Authorized Officer of the I-Bank, the Trustee or such Borrower, respectively. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the instruments so combined shall be read and construed as a single instrument.

**“Certificate as to Pledged CFP Notes”** means the Certificate of an Authorized Officer of the I-Bank delivered pursuant to Section 5.8 hereof.

**“CFP Note”** means the note from a Borrower to the I-Bank which secures such Borrower’s payment obligations under its Short-Term Construction Loan.

**“Code”** means the Internal Revenue Code of 1986, as the same may from time to time be amended or supplemented, including any regulations promulgated thereunder and any administrative or judicial interpretations thereof.

**“Conditions to Participation in Construction Financing Program”** means each of the following conditions: the Borrower and its Project (i) must be included in the Project Priority List, and (ii) must otherwise comply with all Construction Financing Program requirements, including, without limitation, compliance with the I-Bank’s credit policy.

**“Construction Financing Program”** means the short-term loan program of the I-Bank according to the terms of which a Borrower receives short-term financing in order to complete (i) the planning and design of its Project and/or (ii) the construction of its Project, in anticipation of the subsequent qualification for, and receipt of, long-term financing from the Water Bank Program.

**“Convertible Pledged CFP Notes”** means those Pledged CFP Notes, or the portions thereof, that are subject to conversion by the I-Bank pursuant a long-term loan made to the applicable Borrower from the I-Bank.

**“Cost”** means those costs that are eligible, reasonable, necessary, allocable to a Borrower’s Project and permitted by generally accepted accounting principles, including Allowances and Building Costs (as defined in the Regulations), as shall be determined on a project-specific basis in accordance with the Regulations.

**“Costs of Issuance”** means all items of expense related to the authorization, execution, issuance, sale and delivery of Series 2021A ECP Notes which are directly or indirectly payable by or reimbursable to the I-Bank including (without limitation) costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Trustee, the Issuing and Paying Agent, legal fees and charges, fees and disbursements of financial or other consultants and professionals, fees and charges for preparation, execution and safekeeping of the Series 2021A ECP Notes and any other cost, charge or fee in connection with the issuance of such Series 2021A ECP Notes.

**“Costs of Issuance Account”** means the Account within the Operating Expense Fund so designated and established by Article III hereof.



**“Counsel”** means an attorney at law or firm of attorneys at law (who may be, without limitation, of counsel to, or an employee of, the I-Bank, the Trustee, the Issuing and Paying Agent, or any Borrower) duly admitted to practice law before the highest court of the State of New Jersey or otherwise qualified to practice law in the State of New Jersey.

**“Coverage Requirement”** means 125% of the Outstanding principal amount of the Series 2021A ECP Notes.

**“CP Payment Fund”** means the fund so designated and established by Article III hereof.

**“Dealer”** means, initially, Morgan Stanley & Co.LLC, and, from time to time, any other dealer appointed pursuant to Section 10.7 of this Indenture, and its successors.

**“Dealer Agreement”** means each dealer agreement, entered into by the I-Bank and a Dealer, as amended, modified or supplemented from time to time.

**“Debt Reserve Requirement”** means an amount at least equal to the sum of (i) the purchase price of any investments held in the Project Fund of the type described in paragraph (j) of the definition of Investment Securities and (ii) if the maturity of any Series 2021A ECP Note has been extended pursuant to Section 2.2(e) hereof, the amount of interest coming due on the next succeeding Extended Period Interest Payment Date for such Series 2021A ECP Note; provided, however, that the Debt Reserve Requirement shall not include the amounts set forth in (ii) above until two (2) Business Days prior to such Extended Period Interest Payment Date.

**“Debt Service Reserve Fund”** means the fund so designated and established by Article III hereof

**“Default”** or **“Event of Default”** means an event or condition the occurrence of which would, with the lapse of time or the giving of notice or both, become an Event of Default with respect to the Series 2021A ECP Notes as described in Section 6.1 hereof.

**“Department”** means the New Jersey Department of Environmental Protection.

**“Depository”** means DTC, and any substitute for or successor to DTC that shall maintain a Book-Entry System with respect to the Series 2021A ECP Notes.

**“Designated Office”** means (1) when used with reference to the Issuing and Paying Agent, the corporate trust office of the Issuing and Paying Agent designated as such, and (2) when used with reference to the Dealer, the office of the Dealer designated as such. Initially, with respect to each such entity, the office located at the address set forth in Section 10.9 of this Indenture shall be its Designated Office.

**“DTC”** means The Depository Trust Company, New York, New York.

**“ECP Resolution”** means that certain “Resolution of the New Jersey Infrastructure Bank Authorizing (I) its Extendable Commercial Paper Financing Program and the Issuance and Sale of its Environmental Infrastructure Extendable Commercial Paper Notes and (II) the Issuance and

Sale of its Environmental Infrastructure Bonds, on a Limited and Expedited Basis, in Furtherance of its Extendable Commercial Paper Financing Program”, as adopted by the Board on \_\_\_\_\_, 2021, and all amendments and supplements thereto adopted in accordance with the provisions thereof.

**“Electronic Means”** means telecopy, facsimile transmission, e-mail transmission or other similar electronic means of communication providing evidence of transmission, including a telephonic communication confirmed by any other method set forth in this definition.

**“EMMA”** means the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board.

**“Extended Maturity Date”** means, for each Series 2021A ECP Note, a Business Day that is no later than 270 days after its Issue Date.

**“Extended Period Interest Payment Date”** means: (i) if the applicable Original Maturity Date is before the 15<sup>th</sup> day of the month, the first Business Day of the next month and the first Business Day of each month thereafter; and (ii) if the applicable Original Maturity Date is on or after the 15<sup>th</sup> day of the month, the first Business Day of the second succeeding month and the first Business Day of each month thereafter.

**“Extension Rate”** means, for each Series 2021A ECP Note, the rate of interest per annum established under Section 2.2(g) for each weekly period from and after the Original Maturity Date.

**“Final Maturity Date”** means the program maturity date of \_\_\_\_\_, 20\_\_, after which point there will be no Series 2021A ECP notes issued

**“Fiduciary”** or **“Fiduciaries”** means the Trustee or the Paying Agent, or both of them, as may be appropriate.

**“Fiscal Year”** means the twelve month period beginning on July 1 and ending on June 30 of each year, unless a different twelve month period is specified by the I-Bank.

**“Fund”** means any Fund designated and established hereunder.

**“General Account”** means the Account within the CP Payment Fund so designated and established by Article III hereof.

**“Indenture”** means this Indenture of Trust, as amended, supplemented, amended and restated, or otherwise modified from time to time.

**“Indexing Agent”** means \_\_\_\_\_ and any other indexing agent appointed pursuant to Section 10.8 of this Indenture, and their successors.

**“Investment Securities”** means and includes any of the following securities, if and to the extent the same are at the time legal for investment of the I-Bank’s funds, which securities may be obligations of the Trustee to the extent qualified hereunder:

(a) Obligations of, or obligations guaranteed as to principal and interest by, the United States or any agency or instrumentality thereof which obligations are backed by the full faith and credit of the United States. These include, but are not limited to:

- (i) United States Treasury obligations – All direct or fully guaranteed obligations;
- (ii) Farmers Home Administration – Certificates of beneficial ownership;
- (iii) United States Maritime Administration – Guaranteed Title XI financing;
- (iv) Small Business Administration – Guaranteed participation certificates; Guaranteed pool certificates;
- (v) Government National Mortgage Association (GNMA) – GNMA-guaranteed mortgage-backed securities; GNMA-guaranteed participation certificates;
- (vi) United States Department of Housing & Urban Development – Local authority bonds;
- (vii) Washington Metropolitan Area Transit Authority – Guaranteed transit bonds;
- (viii) State and Local Government Series; and
- (ix) Veterans Administration – Guaranteed REMIC; Pass-through Certificates.

(b) Federal Housing Administration Debentures.

(c) Obligations of the following government-sponsored agencies that are not backed by the full faith and credit of the United States government.

- (i) Federal Home Loan Mortgage Corp. (FHLMC) – Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts); Senior debt obligations;
- (ii) Farm Credit System (Formerly: Federal Land Banks, Federal Intermediate Credit Banks, and Banks for Cooperative) – Consolidated systemwide bonds and notes;
- (iii) Federal Home Loan Banks (FHL Banks) – Consolidated debt obligations;

(iv) Federal National Mortgage Association (FNMA) – Senior debt obligations; Mortgage-backed securities (Excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts);

(v) Student Loan Marketing Association (SLMA) – Senior debt obligations (Excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date); LOC-backed issues;

(vi) Financing Corp. (FICO) – Debt obligations; and

(vii) Resolution Funding Corp. (REFCORP) – Debt obligations.

(d) Federal funds, unsecured certificates of deposit, time deposits, and banker's acceptances having maturities of not more than 365 days of any bank (including the Trustee), the short-term obligations of which are rated in the highest rating category for short-term obligations by at least one Rating Agency.

(e) Deposits that are fully insured by the Federal Deposit Insurance Corp. (FDIC), including Bank Insurance Fund (BIF) and Savings Association Insurance Fund (SAIF). To the extent that such deposits are not insured by FDIC, such deposits shall be fully collateralized by the obligations described in any of paragraphs (a), (b) or (c) of this definition.

(f) (i) Debt obligations rated in the highest rating category for debt obligations by at least one Rating Agency. Excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date.

(ii) Pre-refunded municipal securities rated in the highest rating category for municipal securities by at least one Rating Agency.

(g) Commercial paper or other debt obligations rated in the highest rating category for commercial paper or debt obligations by at least one Rating Agency maturing in not more than 365 days.

(h) Investment in money market funds, with a stable net asset value per share, rated in the highest rating category for money market funds by at least one Rating Agency (including such money markets funds managed by the Trustee or any of its affiliates).

(i) Any of the following stripped securities:

(ii) United States Treasury STRIPS;

(iii) REFCORP STRIPS (stripped by the Federal Reserve Bank of New York); and

(iv) Any stripped securities assessed or rated in the highest rating category for stripped securities by at least one Rating Agency.

(i) Repurchase agreements, provided that such repurchase agreements satisfy each of the following requirements:

(i) The counterparty to the repurchase agreement is rated no lower than “Aa” by Moody’s Investors Service, Inc., “AA” by Standard & Poor’s Corporation or “AA” by Fitch Ratings, Inc. (without reference to any gradation within such rating category);

(ii) The weighted average maturity of the repurchase agreement is not longer than the lesser of the estimated average period required to complete construction of the Projects or five years from the date the repurchase agreement is entered into;

(iii) The seller of the repurchase agreement is (A) a bank or trust company or a wholly-owned subsidiary of such bank or trust company which is headquartered in the United States and is a member of the Federal Reserve System or (B) a securities broker which is headquartered in the United States, is registered with the Securities and Exchange Commission, and meets the criteria for issuers of “commercial paper” as specified under N.J.A.C. 17:16-31;

(iv) The collateral for the repurchase agreement consists of obligations of the United States Government or an obligation of the following United States Government agencies:

(A) Federal Farm Credit Banks Consolidated Systemwide Bonds;

(B) Federal Financing Bank;

(C) Federal Home Loan Banks; and

(D) Federal Land Banks;

(v) At the time the repurchase agreement is purchased, the market value of the securities delivered as collateral pursuant to the repurchase agreement is equal to at least 102 percent of the par value of the repurchase agreement; and

(vi) The repurchase agreement shall be purchased pursuant to a competitively bid process.

(j) investments in short-term obligations of the I-Bank’s Transportation Bank (pursuant to and in satisfaction of the provisions of N.J.S.A. 58:11B-5(n)); and

(k) Such other securities approved by each of the Rating Agencies that would not adversely affect the rating on the Coverage Receiving Trust Bonds then Outstanding.

**“Interest Payment Date”** for each Series 2021A ECP Note means the Original Maturity Date, unless the maturity of such Series 2021A ECP Note has been extended pursuant to Section 2.2(e), in which case Interest Payment Date means each Extended Period Interest Payment Date for such Series 2021A ECP Note.

**“Issue Date”** means, for each Series 2021A ECP Note, the date on which beneficial ownership is transferred to the original purchaser thereof.

**“Issuing and Paying Agent Agreement”** means the Issuing and Paying Agent Agreement dated as of the date hereof entered into pursuant to this Indenture, between the I-Bank and the Issuing and Paying Agent, as amended, modified or supplemented from time to time.

**“Letters of Representations”** means the Letters of Representations to be dated on or about the date of initial delivery of the Series 2021A ECP Notes, entered into pursuant to this Indenture between the I-Bank, the Issuing and Paying Agent and DTC, and any other agreement entered into between the I-Bank, the Issuing and Paying Agent and any other Depository pursuant to this Indenture.

**“Master Note”** means a master note issued pursuant to Section 2.3.

**“Maturity Date”** for each Series 2021A ECP Note means the Original Maturity Date, unless the maturity of such Series 2021A ECP Note has been extended pursuant to Section 2.2(e), in which case Maturity Date means the Extended Maturity Date for such Series 2021A ECP Note.

**“Maximum Aggregate Principal Amount”** means \$150,000,000 of Series 2021A ECP Notes Outstanding at any time.

**“Maximum Rate”** means 12%; provided, however, that in no event shall the Maximum Rate exceed the maximum amount permitted by any applicable usury or similar law.

**“Non-Issuance Notice”** means a notice received by the Issuing and Paying Agent from the I-Bank (or from the Dealer acting upon the direction of the I-Bank) directing the Issuing and Paying Agent not to authenticate and deliver a Series 2021A ECP Note under this Indenture.

**“Noteholder”, “Holder” or “holder”** means any person who shall be the registered owner of a Series 2021A ECP Note or Series 2021A ECP Notes.

**“Note Order”** means an order executed by the I-Bank or the Dealer (acting upon the direction of the I-Bank) directing the authentication and delivery of Series 2021A ECP Notes in accordance with Section 2.5 of this Indenture. The form of Note Order is attached to the Issuing and Paying Agent Agreement as Exhibit F thereto. Any Note Order delivered under this Indenture may be given in one or more concurrent instruments delivered in the manner set forth in the Issuing and Paying Agent Agreement or in such other manner as the Issuing and Paying Agent then employs as its normal business practice. Each Note Order shall contain the information required by Section 2.5(e).

**“Net Earnings”** means, with respect to any Fund, Account or Subaccount, or any portion thereof, all interest, profits and other income earned and received by the Trustee, the Issuing and Paying Agent and the I-Bank, as appropriate, in respect of such Fund, Account, Subaccount or portion thereof, net of (i) any losses suffered, (ii) any fees due to the Trustee, the Issuing and Paying Agent, the provider of an Investment Security, or, at the written direction of an Authorized Officer of the I-Bank, the financial advisor or investment advisor to the I-Bank in connection with

an Investment Security held in such Fund, Account or Subaccount, and (iii) any amounts required to be set aside for rebate or to satisfy a yield restriction requirement to the Internal Revenue Service pursuant to any letter of instructions or certificate as to arbitrage.

**“Operating Expense Fund”** means the Fund so designated and established by Article III hereof.

**“Original Maturity Date”** means, for each Series 2021A ECP Note, a Business Day not less than one day and not greater than the 120th day after the Issue Date.

**“Original Rate”** means, for each Series 2021A ECP Note, the fixed annual rate of interest per annum borne by such Series 2021A ECP Note to the Original Maturity Date.

**“Outstanding”** or **“outstanding”** means, when used with reference to Series 2021A ECP Notes, as of any particular date, all Series 2021A ECP Notes authenticated and delivered under this Indenture except:

(1) any Series 2021A ECP Note canceled by the Issuing and Paying Agent (or delivered to the Issuing and Paying Agent for cancellation) at or before such date;

(2) any Series 2021A ECP Note for the payment of the principal of and interest on which provision shall have been made as provided in Section 9.1 of this Indenture; and

(3) any Series 2021A ECP Note in lieu of or in substitution for which a new Series 2021A ECP Note shall have been authenticated and delivered pursuant to Article II of this Indenture.

**“Person”** means an individual, a corporation, a partnership, an association, a limited liability company, a joint stock company, a trust, any unincorporated organization, any local government unit as defined in the Act or any other group or entity.

**“Pledged CFP Notes”** means those CFP Notes that have been pledged to the Trustee to secure the payment of principal of and interest on the Series 2021A ECP Notes, as evidenced by a Certificate as to Pledged CFP Notes.

**“Prevailing Rating”** means, at the time of determination and with respect to a Rating Agency, the rating assigned to the Series 2021A ECP Notes by the Rating Agency or any comparable future determination by the Rating Agency.

**“Project Fund”** means the Fund so designated and established by Article III hereof.

**“Project Priority List”** means, collectively, the lists of projects that are eligible for Water Bank Program financing and are submitted to the State Legislature at least once during each State fiscal year pursuant to the Act.

**“Refunding Note”** means a Series 2021A ECP Note issued to refund an Outstanding Series 2021A ECP Note. The requirements for Note Orders for Refunding Notes are described in Section 2.5(c) hereof.

**“Registrar”** means the Issuing and Paying Agent in its capacity as keeper of the registration records of the Series 2021A ECP Notes.

**“Regular Record Date”** for each Series 2021A ECP Note, means the day (whether or not a Business Day) preceding each Interest Payment Date for such Series 2021A ECP Note.

**“Rating Agency”** shall mean individually or collectively, as the case may be, the nationally recognized rating agencies that have published ratings for the Series 2021A ECP Notes.

**“Rebate Fund”** means the Fund so designated and established by Article V hereof.

**“Regulations”** means the rules and regulations, as applicable, now or hereafter promulgated under N.J.A.C. 7:22-3 *et seq.*, 7:22-4 *et seq.*, 7:22-5 *et seq.*, 7:22-6 *et seq.*, 7:22-7 *et seq.*, 7:22-8 *et seq.*, 7:22-9 *et seq.* and 7:22-10 *et seq.*, as the same may from time to time be amended and supplemented.

**“Sale Proceeds Account”** means the Account within the CP Payment Fund so designated and established by Article III.

**“Series 2021A ECP Note”** or **“Series 2021A ECP Notes”** means the I-Bank’s Environmental Infrastructure Extendable Commercial Paper Notes [(Green Notes)], Series 2021A to be issued pursuant to this Indenture.

**“Short-Term Construction Loan”** means the loan made by the I-Bank to a Borrower pursuant to the Construction Financing Program.

**“SIFMA”** means the Securities Industry and Financial Markets Association (formerly the Bond Market Association) or any successor thereto.

**“SIFMA Index”** means, on any date, (i) a rate determined on the basis of the seven-day high grade market index of tax-exempt variable rate demand obligations, as produced by Municipal Market Data and published or made available by SIFMA or any Person acting in cooperation with or under the sponsorship of SIFMA and designated by the I-Bank and effective from such date or (ii) if such index is not published, such other publicly available rate as the Dealer shall deem most nearly equivalent thereto. Such index may be expressed as a percentage of (more or less than, or equal to, 100%) and/or a fixed spread to another index.

**“State”** means the State of New Jersey, acting by and through the Department.

**“Subaccount”** means any subaccount designated and established hereunder.

**“Sub-Series”** means each additional sub-series of commercial paper notes established pursuant to Section 2.8 hereof, each of which is intended to constitute a single issue of Series 2021A ECP Notes pursuant to the Code.



**“Sub-Series Initial Issuance Period”** means the period beginning on the date of establishment of a Sub-Series and ending on the first to occur of the following: (1) the date on which a new Sub-Series is established pursuant to Section 2.8(b) hereof, (2) 18 months after the first day of such Sub-Series Initial Issuance Period, and (3) the Final Maturity Date. A Sub-Series Initial Issuance Period may not exceed 18 months.

**“Supplemental Indenture”** means any indenture or indentures of the I-Bank amending, modifying or supplementing this Indenture or any other Supplemental Indenture adopted by the I-Bank pursuant to the provisions of this Indenture.

**“Tax Certificate”** means the tax certificate executed by the I-Bank in connection with the initial issuance and delivery of the Series 2021A ECP Notes, as amended, modified or supplemented from time to time, and any tax certificate executed by the I-Bank in connection with the establishment of a new Sub-Series of Series 2021A ECP Notes pursuant to Section 2.8 hereof as amended, modified or supplemented from time to time.

**“Transfer Date”** means the third to last Business Day of each month.

**“Trustee”** means [\_\_\_\_\_], and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to this Indenture.

**“Trust Estate”** means the property conveyed to the Trustee pursuant to the Granting Clauses hereof.

**“United States Government Obligations”** means Investment Securities described in paragraph (a) of the definition thereof.

**“Water Bank Program”** means the “New Jersey Environmental Infrastructure Financing Program” as such term is defined in the Act.

**Section 1.2 Rules of Interpretation.** For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

1. “This Indenture” means this instrument as originally adopted and as it may be supplemented, modified or amended from time to time by any Supplemental Indenture, unless in the case of any one or more Supplemental Indentures the context requires otherwise.

2. All reference in this Indenture to designated “Articles”, “Sections” and other subdivisions are to the designated Articles, Sections and other subdivisions of this Indenture. The words “herein”, “hereof”, “hereunder” and “herewith” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision hereof.

3. The terms defined in this Indenture include the plural as well as the singular.

4. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

5. The table of contents and the headings or captions used in this Indenture are for convenience of reference only and shall not define, limit or prescribe any of the provisions hereof or the scope or intent hereof.

6. Any reference to a particular percentage or proportion of the Holders of Series 2021A ECP Notes shall mean the Holders at the particular time of the specified percentage or proportion in aggregate principal amount of all Series 2021A ECP Notes then Outstanding under this Indenture.

7. Any reference herein to the Dealer shall mean the Dealer for a particular Series 2021A ECP Notes and the action specified with respect to such Dealer shall apply only to the particular Series 2021A ECP Notes with respect to which such Dealer serves as Dealer. Any reference to the Dealer Agreement shall mean the particular Dealer Agreement to which the Dealer in question is a party.

**Section 1.3 Indenture and Series 2021A ECP Notes Constitute a Contract.** With respect to the Series 2021A ECP Notes, in consideration of the purchase and acceptance of any and all of the Series 2021A ECP Notes authorized to be issued under this Indenture by those who shall hold the same from time to time, this Indenture shall be deemed to be and shall constitute a contract between the I-Bank, the Trustee and the Holders, of such Series 2021A ECP Notes. The pledge made hereby is valid and binding from the time when the pledge is made and the Trust Estate shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the I-Bank irrespective of whether such parties have notice thereof. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or give or grant to, any person or entity, other than the I-Bank, the Trustee, the Issuing and Paying Agent and the registered owners of the Series 2021A ECP Notes, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the I-Bank shall be for the sole and exclusive benefit of the I-Bank, the Trustee, the Issuing and Paying Agent and the registered owners of the Series 2021A ECP Notes.

## ARTICLE II

### AUTHORIZATION AND DETAILS OF SERIES 2021A ECP NOTES AND RELATED DOCUMENTS

#### Section 2.1 Series 2021A ECP Notes Authorized

(a) The I-Bank hereby authorizes the issuance of its commercial paper notes designated the “New Jersey Infrastructure Bank Environmental Infrastructure Extendable Commercial Paper Notes [(Green Notes)], Series 2021A-1N.” The aggregate principal amount of Series 2021A ECP Notes which may be issued, executed, authenticated and delivered is not limited, but the aggregate principal amount of all Series 2021A ECP Notes Outstanding at any time shall not exceed the Maximum Aggregate Principal Amount. No Series 2021A ECP Note may be issued later than the Final Maturity Date.

(b) The Series 2021A ECP Notes shall be issued from time to time in accordance with Note Orders given to the Issuing and Paying Agent in accordance with Section 2.5 hereof.

Refunding Notes may be issued to refund any Outstanding Series 2021A ECP Note; provided, however, that the principal amount of Series 2021A ECP Notes Outstanding at any time may not exceed the Maximum Aggregate Principal Amount.

(c) The Series 2021A ECP Notes may be issued in one or more Sub-Series, as provided in Section 2.8 hereof. For purposes of internal accounting and recordkeeping, Series 2021A ECP Notes may be identified by a Sub-Series designation to indicate the Sub-Series of which it is a part. The internal designation shall be “Sub-Series 1” for the initial Sub-Series, “Sub-Series 2” for the second Sub-Series and so forth. The initial Sub-Series shall be established by the execution and delivery of this Indenture and compliance with the conditions set forth in Section 2.5(a) hereof. From time to time, new Sub-Series may be established pursuant to Section 2.8 hereof.

(d) The proceeds of the Series 2021A ECP Notes may be applied by the I-Bank for any authorized purpose of the financing qualified projects pursuant to the Construction Financing Program pursuant to the Act.

(e) Reserved.

(f) Reserved.

(g) An Authorized Officer of the I-Bank may determine and carry out the sale of the Series 2021A ECP Notes at public or private sale and shall approve the terms of and publication of an official statement or other offering document describing the Series 2021A ECP Notes.

## Section 2.2 Terms Applicable to the Series 2021A ECP Notes

(a) Each Series 2021A ECP Note shall, subject to the provisions of subsections 2.2(e), (f) and (g) below:

- (i) be issued in registered form;
- (ii) be dated its Issue Date;
- (iii) be issued in denominations of \$100,000 and integral multiples of \$1,000 in excess thereof;
- (iv) bear interest from its Issue Date, payable on its Original Maturity Date, at a fixed annual rate (calculated on the basis of the actual number of days of the year and actual number of days elapsed), which shall not in any event exceed the Maximum Rate; and
- (v) mature on its Original Maturity Date.

(b) The Dealer, in consultation with an Authorized Officer, shall determine the Original Maturity Date of each Series 2021A ECP Note on the Issue Date of such Series 2021A ECP Note to be the date that, in the judgment of the Dealer in consultation with an Authorized Officer as of the date of determination, when considered together with the Original Maturity Dates of other Series 2021A ECP Notes, produces the greatest likelihood of the lowest net interest cost on the Series 2021A ECP Notes during each Fiscal Year. It is recognized that (i) the Dealer may, in the exercise of its judgment, determine maturities for Series 2021A ECP Notes that result in interest rates on Series 2021A ECP Notes that are higher than those that would be borne by Series 2021A ECP Notes with other Original Maturity Dates in order to increase the likelihood of achieving the lowest overall debt service cost on the Series 2021A ECP Notes and (ii) in view of the uncertainties involved in forecasting interest rates, the Dealer may establish different maturities for Series 2021A ECP Notes on the same date in order to achieve an average maturity that, in its judgment, is most likely to achieve the lowest debt service on the Series 2021A ECP Notes. The determination of Original Maturity Dates for Series 2021A ECP Notes by the Dealer as herein provided shall be based upon the market for and the relative yield of the Series 2021A ECP Notes and other securities that bear interest at a variable rate or at fixed rates that, in the judgment of the Dealer, are otherwise comparable to the Series 2021A ECP Notes, or any fact or circumstance relating to the Series 2021A ECP Notes or affecting the market therefor or affecting such other comparable securities in a manner that, in the judgment of the Dealer, will affect the market for the Series 2021A ECP Notes.

(c) Notwithstanding the foregoing provisions of this Section, upon receipt of notice from the I-Bank of the aggregate principal amount of Series 2021A ECP Notes to be retired on any date, the Dealer shall determine Original Maturity Dates for Series 2021A ECP Notes in a manner that shall permit the retirement of Series 2021A ECP Notes on such date to the extent possible, taking into account the Original Maturity Dates of Series 2021A ECP Notes then Outstanding.

(d) Each Series 2021A ECP Note shall bear interest at the Original Rate determined by the Dealer in consultation with an Authorized Officer of the I-Bank. Interest on the Series 2021A ECP Notes shall be calculated on the basis of the actual number of days of the year and actual number of days elapsed and the actual days elapsed.

- (e) Notwithstanding the provisions of subsections (a)(iv) and (a)(v) and subsection (d) above, the I-Bank, in its sole discretion (including, without limitation, in connection with the termination or suspension by the Dealer of its contractual obligations pursuant to the terms of the Dealer Agreement), may elect to extend the Original Maturity Date of a Series 2021A ECP Note in the following manner: The I-Bank shall notify the Issuing and Paying Agent, the Indexing Agent and the Dealer by 12:30 p.m. on the Original Maturity Date that it wishes to exercise its option to extend the maturity of a Series 2021A ECP Note. The Issuing and Paying Agent shall correspondingly notify (i) DTC by 1:30 p.m. on the Original Maturity Date and (ii) each Rating Agency then maintaining a rating on the Series 2021A ECP Notes and EMMA by the close of business on the Original Maturity Date, that the maturity is being extended. Even if the requisite notices are not given by the I-Bank and/or the Issuing and Paying Agent, if payment of the principal of and interest on a Series 2021A ECP Note does not occur on the Original Maturity Date, the I-Bank shall have been deemed to have elected to extend the maturity of the Series 2021A ECP Note and the maturity of the Series 2021A ECP Note shall be extended automatically. With the consent of the Issuing and Paying Agent and the Dealer, the I-Bank may modify the notification provisions contained in this Section 2.2(e) if deemed appropriate to conform to DTC's rules and procedures. In no event shall an extension of the Original Maturity Date constitute a default or a breach of any covenant under this Indenture.

(f) If the I-Bank exercises (or is deemed to have exercised) its option to extend the maturity of a Series 2021A ECP Note, as described in subsection (e) above, then:

- (i) neither principal nor interest shall be paid on the Original Maturity Date for such Series 2021A ECP Note;
- (ii) the Series 2021A ECP Note shall mature on the Extended Maturity Date;
- (iii) the Series 2021A ECP Note shall bear interest from the Original Maturity Date at the Extension Rate; and
- (iv) accrued but unpaid interest shall be paid on each Extended Period Interest Payment Date and on the Extended Maturity Date, and no additional interest shall accrue on the accrued but unpaid interest.

(g) The Extension Rate shall be the rate of interest per annum determined by the following formula; provided that such Extension Rate shall not exceed the Maximum Rate:

The greater of (SIFMA Index + *E*) or *F*

The Extension Rate applicable to a Series 2021A ECP Note will be determined by the Indexing Agent based on the Prevailing Ratings set forth in the table below and other information available between 12:00 noon and 1:00 p.m. on the Original Maturity Date of the Series 2021A ECP Note and each Thursday thereafter and will apply from that date through the following Wednesday or, if earlier, the applicable Extended Maturity Date. The Indexing Agent shall notify the Issuing and Paying Agent of the Extension Rate by 1:00 p.m. on the date of calculation. As used in the formula, the *E* and *F* variables shall be the fixed percentage rates, expressed in basis points and interest rates, respectively, determined based on the Prevailing Ratings of the Rating Agencies then rating the Series 2021A ECP Notes, as follows:

Prevailing Rate

<u>Moody's</u>	<u>S&amp;P</u>	<u>E Variable</u>	<u>F Variable</u>
P-1	A-1+	250 basis points	7.00%
P-1	A-1	350 basis points	7.50%
P-2	A-2	550 basis points	8.00%
Lower than P-2 (or rating withdrawn for credit reasons)	Lower than A-2 (or rating withdrawn for credit reasons)	Maximum Rate	Maximum Rate

If the individual Prevailing Ratings indicate different *E* or *F* variables as a result of split ratings assigned to the Series 2021A ECP Notes, the *E* or *F* variable shall be the arithmetic average of those indicated by the Prevailing Ratings. If another credit rating agency becomes a Rating Agency, the Indexing Agent shall, upon written direction of an Authorized Officer of the I-Bank, following consultation with the I-Bank and the Dealer, determine how the Rating Agency's rating categories shall be treated for the purpose of indicating an *E* or *F* variable.

(h) The Series 2021A ECP Notes shall not be subject to redemption prior to their Original Maturity Date. In the event the I-Bank exercises (or is deemed to have exercised) its option to extend the maturity of a Series 2021A ECP Note, that Series 2021A ECP Note may be redeemed on any date after its Original Maturity Date, at the option of the I-Bank at a redemption price equal to par, plus accrued and unpaid interest to the redemption date; provided that no Series 2021A ECP Note with an Extended Maturity Date shall be redeemed unless all Series 2021A ECP Notes then Outstanding that have been extended beyond their Original Maturity Date are redeemed simultaneously. To exercise its redemption option, the I-Bank shall provide not less than five nor more than 25 calendar days' notice to the Issuing and Paying Agent of its exercise of the redemption option and the redemption date. The Issuing and Paying Agent shall notify DTC of the Series 2021A ECP Notes to be redeemed within one (1) Business Day of receipt of such notice.

### **Section 2.3 Book-Entry Notes.**

(a) Subject to subsection (f) of this Section, the Series 2021A ECP Notes shall be issued (i) in the form of one or more fully registered master note or notes (each, a "MasterNote") the ownership of which shall be registered in the name of the nominee of the Depository (initially, with respect to DTC, Cede & Co.) and which may be transferred or

exchanged only as hereinafter provided in this Section and, to the extent not inconsistent herewith, in accordance with the procedures of the Depository as then in effect, and (ii) otherwise in book-entry only form through the Depository.

(b) The ownership and transfer of Master Notes shall be registered on books of the Issuing and Paying Agent, which shall be kept for that purpose at the Designated Office of the Issuing and Paying Agent. The Master Notes shall be transferable by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Issuing and Paying Agent duly executed by the registered owner or his duly authorized attorney. Upon the registration or transfer of a Master Note, the Issuing and Paying Agent shall issue in the name of the transferee a new Master Note, evidencing the I-Bank's obligations with respect to the same Book-Entry Notes as the instrument surrendered.

(c) In order to qualify the Series 2021A ECP Notes for the Depository's book-entry system, any Authorized Officer is hereby authorized to execute and deliver on behalf of the I-Bank to such Depository a letter or letters from the I-Bank representing such matters as shall be necessary or advisable to so qualify the Series 2021A ECP Notes (each, a "Representation Letter"). The execution and delivery of a Representation Letter shall not in any way impose upon the I-Bank any obligation whatsoever with respect to persons having interests in the Series 2021A ECP Notes other than the Holders thereof and the Depository. In addition to the execution and delivery of a Representation Letter, the Authorized Officers and the other officers and employees of the I-Bank designated by an Authorized Officer are hereby authorized to take any other actions, not inconsistent with this Indenture, to qualify the Series 2021A ECP Notes for the Depository's book-entry system.

(d) The Depository and its nominee shall be deemed to be and be treated by the I-Bank and the Issuing and Paying Agent as the sole and exclusive Holder of the Master Notes and of all Book-Entry Notes evidenced thereby, and the Beneficial Owners of Book-Entry Notes shall not be deemed to be or treated as the Holders thereof, for the purposes of payment of the principal of or interest on such Book-Entry Notes, payments under the Master Notes, giving any notice permitted or required to be given to Holders under this Indenture, registering the transfer of the Master Notes, obtaining any consent or other action to be taken by Holders, and for any and all other purposes whatsoever, and neither the I-Bank nor the Issuing and Paying Agent shall be affected by any notice to the contrary. The Issuing and Paying Agent shall pay all principal of and interest on Book-Entry Notes only to or upon the order of the Depository or its nominee, and all such payments shall be valid and effective to fully satisfy and discharge the I-Bank's obligations with respect to the principal of and interest on such Book-Entry Notes to the extent of the sum or sums so paid.

(e) With respect to all Book-Entry Notes, neither the I-Bank nor the Issuing and Paying Agent shall have any responsibility or obligation to any Depository, direct or indirect participant or any Person claiming a beneficial ownership interest in Book-Entry Notes under or through the Depository or any Depository participant, or any nominee of any thereof, or any other Person which is not shown on the books of the Issuing and Paying Agent as being the Holder of a Master Note, with respect to: (1) sending transaction statements; (2) maintaining,



supervising or reviewing, or the accuracy of, any records maintained by the Depository, any Depository participant or any such nominees; (3) payment or the timeliness of payment by the Depository to any Depository participant, or by any Depository participant or other nominees of Beneficial Owners to any Beneficial Owners, of any amount in respect of the principal of or interest on Book-Entry Notes; (4) delivery or timely delivery by the Depository to any Depository participant, or by any Depository participant or other nominees of Beneficial Owners to any Beneficial Owners, of any notice which is permitted or required to be given to Holders under this Indenture; or (5) any consent or other action taken by the Depository or its nominee as Holder of Book-Entry Notes.

(f) The Depository may determine not to continue to act as securities depository for the Series 2021A ECP Notes, or the I-Bank may determine to discontinue the book-entry only issuance of the Series 2021A ECP Notes through the Depository and in such case shall deliver a written notice to the Issuing and Paying Agent and the Dealer to that effect. In either case, if the I-Bank determines to replace the Depository with another qualified securities depository, the I-Bank shall prepare or direct the preparation of one or more new, separate, fully registered Master Notes, registered in the name of such successor or substitute qualified securities depository or its nominee, or make such other arrangements acceptable to the I-Bank, the Issuing and Paying Agent and the replacement Depository. If the I-Bank fails to identify another securities depository to replace the Depository, the I-Bank shall deliver to the Issuing and Paying Agent for safekeeping, completion, authentication and delivery in accordance with the provisions of this Indenture and of the Issuing and Paying Agent Agreement, Series 2021A ECP Note instruments executed on behalf of the I-Bank, with the date of issuance, principal amount, maturity date, owner and rate of interest left blank. Each such Series 2021A ECP Note instrument shall be held in safekeeping by the Issuing and Paying Agent until authenticated and issued in accordance with the provisions of this Indenture and of the Issuing and Paying Agent Agreement.

#### **Section 2.4 Form; Execution and Authentication.**

(a) The Series 2021A ECP Notes shall be issued in registered form, without interest coupons. The principal of and interest on the Series 2021A ECP Notes shall be payable in lawful money of the United States of America, upon presentation and surrender of the Series 2021A ECP Notes at the Designated Office of the Issuing and Paying Agent.

(b) Subject to Section 2.3 hereof, the Series 2021A ECP Notes and the certificate of authentication to appear thereon, shall be substantially in the form set forth in Appendix A hereto, with such appropriate insertions, omissions, substitutions and other variations as are permitted or required by this Indenture and may have such letters, numbers or other marks of identification, including CUSIP numbers, such legends and endorsements thereon as may be consistent herewith. The Series 2021A ECP Notes shall be printed, lithographed, engraved or produced in any other similar manner, or typewritten.

(c) The Series 2021A ECP Notes shall be executed as provided in this Indenture.



- (d) No Series 2021A ECP Note shall be entitled to any right or benefit under this Indenture, or be valid or obligatory for any purpose, unless there appears on such Note a certificate of authentication substantially in the form provided in Appendix A executed by the Issuing and Paying Agent.

## **Section 2.5 Conditions Precedent to Delivery of Series 2021A ECP Notes.**

(a) On or before the date on which Series 2021A ECP Notes are first authenticated and delivered hereunder, there shall be delivered to the Issuing and Paying Agent and the Trustee each of the following:

- (i) counterparts of this Indenture, the Issuing and Paying Agent Agreement and each initial Dealer Agreement, each executed by the parties thereto;
- (ii) the initial Note Order for such Series 2021A ECP Notes;
- (iii) a certified copy of the resolution or resolutions of the governing board of the I-Bank authorizing the issuance of the Series 2021A ECP Notes and authorizing the execution and delivery of this Indenture and such Series 2021A ECP Notes;
- (iv) an opinion or opinions of Counsel and/or Bond Counsel to the effect that: (a) all conditions precedent to the issuance of the Series 2021A ECP Notes pursuant to the Act and this Indenture have been satisfied; (b) the Series 2021A ECP Notes, when issued, will be valid and binding obligations of the I-Bank in accordance with their terms; and (c) an opinion as to the tax status of the interest on the Series 2021A ECP Notes under the Code;
- (v) a Certificate of an Authorized Officer of the I-Bank (a) directing the application of the proceeds of such Series 2021A ECP Notes, (b) setting forth the amount required to be deposited to the Debt Service Reserve Fund and the allocation of such deposit between the Clean Water Account and the Drinking Water Account therein, and (c) directing the Issuing and Paying Agent to authenticate such Series 2021A ECP Notes. The Issuing and Paying Agent may rely upon such written direction of the I-Bank as conclusive evidence that any and all conditions to the issuance of such Series 2021A ECP Notes by the I-Bank have been satisfied and shall be under no duty to make any independent investigation thereof;
- (vi) a fully executed Tax Certificate and an IRS Form 8038;
- (vii) an executed Certificate as to Pledged CFP Notes; and
- (viii) such other documents, certificates and opinions as the I-Bank,

Bond Counsel, counsel to the I-Bank, the Issuing and Paying Agent, the Trustee, the Dealer or the Dealer's counsel may reasonably require.

(b) On each subsequent date on which Series 2021A ECP Notes (other than Refunding Notes) are first authenticated and delivered hereunder, there shall be delivered to the Issuing and Paying Agent the initial Note Order for such Series 2021A ECP Notes.

(c) A Refunding Note may be issued to refund an Outstanding Series 2021A ECP Note upon delivery by the I-Bank (or by the Dealer on behalf of the I-Bank) to the Issuing and Paying Agent of a Note Order.

Refunding Notes shall be executed by the I-Bank and authenticated by the Issuing and Paying Agent and shall be delivered against receipt by the Issuing and Paying Agent of the purchase price of such Refunding Notes. Proceeds of a Refunding Note shall be applied by the Issuing and Paying Agent to the payment of the principal and accrued interest amount of the Series 2021A ECP Note being refunded.

(d) Unless the Issuing and Paying Agent shall have received a Non-Issuance Notice the Dealer may, on behalf of the I-Bank, deliver Note Orders for Refunding Notes. The Issuing and Paying Agent shall not authenticate or deliver any Series 2021A ECP Note after receipt of a Non-Issuance Notice.

(e) The Issuing and Paying Agent shall authenticate and deliver Series 2021A ECP Notes from time to time for the consideration and in the manner hereinafter provided, but only upon receipt by the Issuing and Paying Agent of a Note Order, no later than 12 noon on the Business Day on which Series 2021A ECP Notes are to be delivered, directing the Issuing and Paying Agent to authenticate the Series 2021A ECP Notes referred to therein and to deliver the same to or upon the order of the Dealer. Each Note Order shall include:

- (i) the aggregate principal amount of Series 2021A ECP Notes then to be issued;
- (ii) the denominations in which they are to be issued;
- (iii) the Original Rate;
- (iv) the Issue Date;
- (v) the Original Maturity Date;
- (vi) the Extended Maturity Date;
- (vii) in the case of Refunding Notes, the Series 2021A ECP Notes to be refunded;
- (viii) the Dealer for such Series 2021A ECP Notes; and

(ix) any additional designations thereof.

(f) The delivery of any Note Order under subsection (e) hereof to the Issuing and Paying Agent by an Authorized Officer in the manner provided therein shall constitute the certification and representation of the I-Bank to the Issuing and Paying Agent that, as of the date thereof:

(i) after the issuance of such Series 2021A ECP Notes and the application of the proceeds thereof, the sum of the aggregate principal amount of Series 2021A ECP Notes Outstanding will not exceed the Maximum Aggregate Principal Amount;

(ii) the Original Maturity Date set forth in the Note Order does not extend beyond (A) the 120<sup>th</sup> day after the Issue Date or (B) the 120<sup>h</sup> day preceding the Final Maturity Date;

(iii) the Extended Maturity Date of such Series 2021A ECP Notes set forth in the Note Order does not extend beyond the Final Maturity Date; and

(iv) the I-Bank has adopted a resolution authorizing the issuance of Bonds or other debt obligations to refund the Series 2021A ECP Notes in an amount at least equal to the Maximum Aggregate Principal Amount, which resolution is in full force and effect.

(g) The I-Bank may deliver a Note Order for the issuance of multiple Series 2021A ECP Notes on multiple dates in the future and shall have the right to rescind such notice with respect to any issue of Series 2021A ECP Notes to be issued until 12:00 noon on any date Series 2021A ECP Notes are to be issued.

(h) No later than 11:30 a.m. on each Business Day on which the I-Bank proposes to issue Series 2021A ECP Notes, the Dealer shall report to the I-Bank each transaction made with or arranged by it or shall notify the I-Bank and the Issuing and Paying Agent of the difference, if any, between the amount of maturing Series 2021A ECP Notes and the amount of Series 2021A ECP Notes which the Dealer has arranged to sell or has agreed to purchase.

(i) Upon receipt of such Note Order (which may be transmitted by mail, telecopy or other electronic communications method, or by telephone, promptly confirmed in writing by 2:00 p.m.), the Issuing and Paying Agent shall, by 3:00 p.m. on such day, complete each Series 2021A ECP Note as to amount, Issue Date, Original Maturity Date, the Extended Maturity Date and Original Rate specified in such Note Order, and deliver each such Series 2021A ECP Note to or upon the order of the Dealer upon receipt of payment therefor. If a Note Order is received after 12:00 Noon on a given day, the Issuing and Paying Agent shall not be obligated to deliver the requested Series 2021A ECP Notes until the next succeeding Business Day.

(j) Notwithstanding the foregoing, the Issuing and Paying Agent shall not deliver any Series 2021A ECP Notes if:

(i) such delivery would cause the sum of the aggregate principal amount of Series 2021A ECP Notes Outstanding to exceed the Maximum Aggregate Principal Amount;

(ii) the Issuing and Paying Agent shall have received a Non-Issuance Notice which has not been withdrawn or revoked;

(iii) the Original Maturity Date of such Series 2021A ECP Notes would extend beyond the 120<sup>th</sup> day preceding Final Maturity Date; or

(iv) the Extended Maturity Date of such Series 2021A ECP Notes would extend beyond the Final Maturity Date.

(k) Any Note Order made by telephone pursuant to this Section may be recorded by the Issuing and Paying Agent and shall be confirmed promptly in writing by an Authorized Officer; provided, however, that any conflict between any recorded oral Note Order and the written confirmation thereof, shall not affect the validity of any recorded oral Note Order received by the Issuing and Paying Agent as provided herein. If the Issuing and Paying Agent does not record an oral Note Order, and a conflict exists between such oral Note Order and the written confirmation thereof, the terms of the written confirmation shall control.

(l) The purchase price of each Series 2021A ECP Note shall be 100% of the principal amount thereof, and no Note shall be deemed to be issued until payment for its purchase has been made in lawful money of the United States of America.

## **Section 2.6 Method of Payment.**

The principal of and interest on each Series 2021A ECP Note will be payable in any lawful money of the United States of America by check or wire transfer to an account of the Holder at a bank in the United States (provided that wire instructions are delivered to the Issuing and Paying Agent at least three Business Days prior to the date for payment) upon presentation and surrender of such Series 2021A ECP Note at the Designated Office of the Issuing and Paying Agent. Notwithstanding the foregoing, so long as the Series 2021A ECP Notes are issued pursuant to a Book- Entry System, payment of principal of and interest on the Series 2021A ECP Notes shall be made no later than 3:00 p.m. in accordance with the procedures established by the Depository.

## **Section 2.7 Registration and Exchange of Series 2021A ECP Notes.**

The I-Bank shall cause books for registration and the registration of transfer of Series 2021A ECP Notes to be maintained by the Issuing and Paying Agent, as Registrar pursuant to this Indenture. If any Series 2021A ECP Note shall be surrendered to the Issuing and Paying Agent for registration of transfer or exchange in accordance with the provisions of such Series

2021A ECP Note, the I-Bank shall execute and the Issuing and Paying Agent shall authenticate and deliver in exchange for such Series 2021A ECP Note a new Series 2021A ECP Note or Series 2021A ECP Notes of the same maturity bearing interest at the same rate and of any denomination authorized by this Indenture, in aggregate principal amount equal to the principal amount of the Series 2021A ECP Note so surrendered, upon payment of any tax, fee or other governmental charge that may be imposed in relation thereto.

## **Section 2.8 The Establishment of New Sub-Series.**

(a) A new Sub-Series of the Series 2021A ECP Notes may be established by the I-Bank from time to time upon delivery to the Issuing and Paying Agent and the Dealer of a New Sub-Series Order in substantially the form attached hereto as Appendix B. The establishment of a new Sub-Series may be acknowledged by the Dealer but shall not require the consent of the Dealer or the Holders.

(b) The establishment of a new Sub-Series shall be conditioned upon the delivery to the Issuing and Paying Agent of each of the following:

- (i) A fully executed copy of the new Note Order for the new Sub-Series;
- (ii) Fully executed copies of a Tax Certificate and an IRS Form 8038 with respect to such Sub-Series;
- (iii) An opinion of Bond Counsel with respect to such Sub-Series; and
- (iv) Such other documents, certificates and opinions as the I-Bank, Bond Counsel, counsel to the I-Bank, the Issuing and Paying Agent, the Dealer or the Dealer's counsel may reasonably require.

(c) After a new Sub-Series is established, Refunding Notes may be issued to refund (i) any Series 2021A ECP Notes that were Outstanding at the time the new Sub-Series was established, and (ii) any Series 2021A ECP Notes issued during the new Sub-Series Initial Issuance Period. Each Sub-Series shall include Refunding Notes issued to pay the principal amount of Series 2021A ECP Notes (including Refunding Notes issued to pay the principal of and interest on Series 2021A ECP Notes) issued during the related Sub-Series Initial Issuance Period. It is the intention of the I-Bank that all Series 2021A ECP Notes issued during a single Sub-Series Initial Issuance Period shall constitute a single issue under the Code. Each Sub-Series Initial Issuance Period shall be no longer than 18 months.

## **Section 2.9 Miscellaneous.**

(a) The Dealer shall give notice of each Original Rate and Original Maturity Date determined for any Series 2021A ECP Note in any month to the I-Bank and the Issuing and Paying Agent in accordance with the terms of the Dealer Agreement. Such notice shall be

given not later than the third Business Day of the month following the month in question and on the Business Day preceding each Transfer Date. The Dealer and the Issuing and Paying Agent shall keep a record of each interest rate and Maturity Date determined in accordance with this Indenture and shall provide written confirmation thereof upon the request of the I-Bank from time to time.

(b) The determination of (i) the interest rates and Maturity Dates for Series 2021A ECP Notes by the Dealer and (ii) the determination of the Extension Rate by the Indexing Agent as provided in this Article, shall be conclusive and binding on the Holders of such Series 2021A ECP Notes, the I-Bank, and the Issuing and Paying Agent, absent manifest error.

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## ARTICLE III

### REVENUES AND ACCOUNTS

#### **Section 3.1 Creation of Funds and Accounts for the Series 2021A ECP Notes.**

(a) The following Funds, separate Accounts within Funds and separate Subaccounts within Accounts shall be established, held and maintained for the Series 2021A ECP Notes:

(i) CP Payment Fund, to be held by the Issuing and Paying Agent, which shall consist of a Sale Proceeds Account and a General Account;

(ii) Operating Expense Fund, to be held by the I-Bank, which shall consist of a Costs of Issuance Account.

(iii) Project Fund, to be held by the Trustee.

(iv) Rebate Fund to be held by the Trustee, which shall consist of a General Rebate Account.

(v) Debt Service Reserve Fund, to be held by the Trustee, which shall consist of a Clean Water Account and a Drinking Water Account.

(b) For the purposes of internal accounting, the funds and accounts created pursuant to this Section may contain one or more accounts and sub-accounts. The Issuing and Paying Agent may establish sub-accounts within each account within the CP Payment Fund, such that there shall be sub-accounts for each Sub-Series established hereunder. The Issuing and Paying Agent shall notify the I-Bank, the Dealer and the Trustee of the establishment of any sub-accounts hereunder.

(c) Pursuant to a Certificate of an Authorized Officer of the I-Bank, the I-Bank may direct the Trustee to establish additional funds, accounts within funds, and subaccounts within accounts, in the manner set forth in such Certificate.

(d) Each of the Funds, Accounts and Subaccounts created by this Indenture, other than the Operating Expense Fund, the Project Fund (except for investment earnings thereon) and the Rebate Fund (including all Accounts and Subaccounts therein), is hereby pledged to, and charged with, the payment of the principal or Redemption Price of and interest on the 2021A ECP Notes as the same shall become due.

#### **Section 3.2 Issuance of Series 2021A ECP Notes; Application of Proceeds.**

(a) Concurrently with the issuance of any Series 2021A ECP Note hereunder, if an Interest Payment Date for such Series 2021A ECP Note occurs on or prior to the next

Transfer Date, the I-Bank shall direct the Trustee to transfer (from the Debt Service Reserve Fund) to the Issuing and Paying Agent for deposit into the General Account of the CP Payment Fund, an amount sufficient to pay the interest payable on such Series 2021A ECP Note on such Interest Payment Date. The I-Bank (or the Dealer, on behalf of the I-Bank) shall notify the Trustee of the amount required to be transferred to the General Account pursuant to the preceding sentence.

(b) In the case of Series 2021A ECP Notes other than Refunding Notes, the Issuing and Paying Agent shall transfer the proceeds of such Series 2021A ECP Notes to the Trustee or the I-Bank, as applicable, for deposit in the Project Fund and the Administrative Fee Account and/or the Costs of Issuance Account within the Operating Expense Fund, in the amounts specified by the I-Bank. The Trustee shall disburse money from the Project Fund from time to time in accordance with the provisions hereof.

(c) Except as otherwise provided in the corresponding Note Order, the Issuing and Paying Agent shall deposit the proceeds of the sale of all Refunding Notes in the Sale Proceeds Account within the CP Payment Fund.

### **Section 3.3 CP Payment Fund.**

(a) (i) On each Maturity Date and on each Interest Payment Date for any Outstanding Series 2021A ECP Note, the Issuing and Paying Agent shall pay the principal of and interest due on such Series 2021A ECP Note with moneys on deposit in the Sale Proceeds Account within the CP Payment Fund;

(ii) On each Maturity Date and each Interest Payment Date for any Outstanding Series 2021A ECP Note, to the extent that amounts in clause (i) are insufficient to pay the principal of and interest due on such Series 2021A ECP Note, the I-Bank shall direct the Trustee to transfer (from the Debt Service Reserve Fund) to the Issuing and Paying Agent for deposit into the General Account within the CP Payment Fund an amount that, together with any amounts then on deposit in the General Account, is sufficient to pay the principal of and interest on such Outstanding Series 2021A ECP Note; and

(iii) On each Transfer Date, the I-Bank shall direct the Trustee to transfer (from the Debt Service Reserve Fund) to the Issuing and Paying Agent for deposit into the General Account within the CP Payment Fund an amount that, together with any available amounts then on deposit in the General Account, is sufficient to pay the interest payable or estimated to be payable on the Series 2021A ECP Notes on each Interest Payment Date occurring on or prior to the next Transfer Date.

(b) On any Business Day on or prior to the Maturity Date of any Series 2021A ECP Note, the Trustee, at the direction of the I-Bank, shall transfer to the Issuing and Paying Agent for deposit into the General Account within the CP Payment Fund (from the Debt Service Reserve Fund or any other source identified by the I-Bank) an amount sufficient to pay the principal of and interest on such maturing Note, including in situations where the I-Bank has or intends to issue a Non-Issuance Notice. **Section 3.4 Calculation of Interest.**



(a) Any determination of the amount of interest estimated to be payable on the Series 2021A ECP Notes on or prior to the next Transfer Date shall be made by the I-Bank, in accordance with paragraph (b) below. For purposes of Section 3.4(b)(iii) below, the Estimated CP Interest Accrual for any Series 2021A ECP Notes the maturity of which has been extended to the Extended Maturity Date shall be determined based upon the Extension Rate determined in accordance with Section 2.2(g) hereof in effect on each Calculation Date. The I-Bank shall notify the Issuing and Paying Agent and the Trustee of its determination of such amount and the Issuing and Paying Agent and the Trustee may rely conclusively on such determination.

(b) The amounts to be transferred from the Debt Service Reserve Fund to the CP Payment Fund shall be calculated as follows:

(i) Principal. No amounts shall be transferred in respect of the principal of any Commercial Paper maturing prior to the next succeeding Transfer Date, unless the I-Bank notifies the Trustee that it has determined to pay or provide for the payment of the principal of such Series 2021A ECP Notes with moneys transferred from the Debt Service Reserve Fund, in which case the Trustee shall transfer the amount specified in the notice of the I-Bank.

(ii) Interest. On each Transfer Date, the Trustee shall transfer an amount which, together with the amounts then on deposit in the CP Payment Fund, is equal to: (A) the interest due on each Series 2021A ECP Note maturing on or prior to the next succeeding Transfer Date, plus (B) the aggregate “Estimated CP Interest Accrual.”

(iii) Aggregate Estimated CP Interest Accrual. The amount of the “Estimated CP Interest Accrual” for each Series 2021A ECP Note that matures prior to the next Transfer Date is an amount equal to the interest that would accrue on such Series 2021A ECP Note for a period commencing on its maturity date and ending on the next succeeding Transfer Date. The aggregate Estimated CP Interest Accrual is an amount equal to the sum of the Estimated CP Interest Accruals for each Series 2021A ECP Note.

(c) The interest rate used to calculate Debt Service Requirements on the Series 2021A ECP Notes if the maturity of any Series 2021A ECP Note has been extended to the Extended Maturity Date shall be determined based upon the Extension Rate determined in accordance with Section 2.2(g) hereof in effect on the date of such calculation.

### **Section 3.5      Project Fund.**

There shall be deposited into the Project Fund from the proceeds of the Series 2021A ECP Notes the amount set forth in the Certificate of an Authorized Officer of the I-Bank delivered to the Trustee pursuant to Section 2.5(a)(v) hereof.

The Trustee shall make payments from the Project Fund in the amounts, at the times and in the manner specified in a written direction of an Authorized Officer of the I-Bank, to pay, or reimburse the payment of, Costs of a Borrower’s Project.

### **Section 3.6            Operating Expense Fund.**

1.        There shall be established within the Operating Expense Fund a Costs of Issuance Account.

2.        There shall be deposited into the Costs of Issuance Account from the proceeds of the Series 2021A ECP Notes the amount set forth in the Certificate of an Authorized Officer of the I-Bank delivered to the Trustee pursuant to Section 2.5(a)(v) hereof.

3.        The I-Bank shall make payments from the Costs of Issuance Account and, to the extent necessary, from its funds and accounts not subject to the pledge and lien of this Indenture, in the amounts, at the times, in the manner and on the other terms and conditions as the I-Bank shall determine to be fair and reasonable in the payment of the particular items of the Costs of Issuance relating to the issuance of the Series 2021A ECP Notes and in accordance with the provisions of the Tax Certificate. Upon the payment of all Costs of Issuance as evidenced by a Certificate of an Authorized Officer of the I-Bank to such effect, the amounts remaining in the Costs of Issuance Account, if any, shall be transferred as shall be set forth in such Certificate of an Authorized Officer of the I-Bank and in accordance with the provisions of the Tax Certificate.

### **Section 3.7            Debt Service Reserve Fund.**

1.        There shall be established within the Debt Service Reserve Fund a Clean Water Account and a Drinking Water Account.

2.        There shall be deposited into the Clean Water Account and the Drinking Water Account the respective amounts set forth in the Certificate of an Authorized Officer of the I-Bank delivered to the Trustee pursuant to Section 2.5(a)(v) hereof.

3.        Amounts on deposit in the Debt Service Reserve Fund shall be applied to fund any shortfall in the General Account within the CP Payment Fund at such times and in such amounts calculated as set forth in this Article III.

4.        If the amounts on deposit in the Debt Service Reserve Fund are less than the Debt Reserve Requirement, the I-Bank shall deposit an amount sufficient such that the amounts on deposit in the Debt Service Reserve Fund shall equal or exceed the Debt Reserve Requirement; provided, however, that the I-Bank shall only be required to make such deposit, if any, from funds that have been appropriated to the I-Bank from Bond Act Funds for such purpose and that can lawfully be applied to such purpose.

5.        If, as of any date of calculation set forth in Section 5.9 hereof, the amounts on deposit in the Debt Service Reserve Fund exceed the Debt Reserve Requirement, the Trustee shall release such excess to the I-Bank, free and clear of the lien of this Indenture. [In making such release, the Trustee may conclusively rely upon a Certificate of an Authorized Officer of the I-Bank as to the calculation of the Debt Reserve Requirement.]

**Section 3.8            Money to be held in Trust.** All moneys required to be deposited with or paid to the Trustee or the Issuing and Paying Agent, as the case may be, for the account of any Fund or Account established pursuant to any provision of this Indenture for the

Series 2021A ECP Notes in accordance with this Indenture, other than the Project Fund (except for investments held in the Project Fund), the Operating Expense Fund and the Rebate Fund, shall be held by the Trustee or the Issuing and Paying Agent, as the case may be, in trust for the Holders and shall constitute part of the Trust Estate while held by the Trustee or the Issuing and Paying Agent, as the case may be.

### **Section 3.9 Investments.**

1. Generally. (a) Subject to subsection (e) below, all moneys in any of the Funds and Accounts created pursuant to this Indenture, other than the Operating Expense Fund and the Accounts established therein, and other than the CP Payment Fund and the Accounts established therein, which shall be subject to subsection (e) below, shall be invested by the Trustee as directed by an Authorized Officer of the I-Bank in writing, subject to the further provisions of this Section. The Trustee may conclusively rely upon such written direction of an Authorized Officer of the I-Bank as to any and all investments and as to the compliance of any investments with the procurement and investment policies and procedures of the I-Bank. Moneys in the Operating Expense Fund shall be invested by the I-Bank in accordance with the provisions of this Section.

(b) Other than with respect to moneys invested in Investment Securities of the type described in paragraph (j) of the definition thereof, moneys in all Funds and Accounts created pursuant to this Indenture shall be invested in Investment Securities, the principal of and interest on which are payable not later than the dates on which it is estimated that such moneys will be required hereunder; provided, however, that the Project Fund established therein may be invested in the State of New Jersey Cash Management Fund or other similar common trust fund for which the New Jersey State Treasurer is the custodian, in addition to investment thereof in Investment Securities.

(c) Investment Securities acquired as an investment of moneys in any Fund or Account created pursuant to this Indenture shall be credited to such Fund or Account. In computing the value of the assets held in any of the Funds and Accounts established in this Indenture, investments and accrued interest thereon shall be deemed a part thereof. Such investments shall be valued at the current market value thereof (exclusive of accrued interest); provided, however, that Investment Securities of the type described in paragraph (j) of the definition thereof shall be valued at cost.

(d) The Trustee may act as principal or agent in the acquisition or disposition of any Investment Securities. The Trustee shall exercise its best efforts to sell at the best price obtainable, or present for redemption, any Investment Securities to the credit of any Fund or Account created pursuant to this Indenture, other than the Operating Expense Fund and the Rebate Fund (and the respective Accounts therein), whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from such Fund or Account, and the Trustee shall not be liable for any loss resulting from such necessary sale so made of such Investment Securities.

(e) Moneys in each Account within the CP Payment Fund may not be co-mingled, and shall be invested by the Issuing and Paying Agent as shall be directed by an

Authorized Officer of the I-Bank, but only in Investment Securities maturing or redeemable at the option of the holder in such amounts and on such dates as may be necessary to provide moneys to meet the payments from such Funds or Accounts; provided however, that moneys on deposit in the Sale Proceeds Account shall be held uninvested.

(f) Interest earned, profits realized and losses suffered by reason of any investment of the Fund or Account therein shall be credited or charged, as the case may be, to the account for which such investment shall have been made.

(g) The Issuing and Paying Agent may sell or redeem any obligations in which moneys shall have been invested as provided in this Section to the extent necessary for settlement and delivery on the date, or dates as the case may be, necessary to provide cash in the CP Payment Fund to make any payments required to be made therefrom or to facilitate the transfers of money between various accounts and subaccounts as may be required or permitted from time to time pursuant to the provisions of this Article.

(h) Neither the Trustee nor the Issuing and Paying Agent shall be liable for any depreciation in the value of any obligations or securities in which moneys of the Funds or Accounts shall be invested as aforesaid, or for any loss arising from any investment permitted hereby. The investments authorized by this Section shall at all times be subject to the provisions of applicable law, as amended from time to time.

1. **Earnings on Funds and Accounts.** All Net Earnings from the investment of moneys in the CP Payment Fund, the Project Fund, the Rebate Fund, the Debt Service Reserve Fund and the Operating Expense Fund (and each of the respective Accounts and Subaccounts therein) shall be retained in and treated as part of such respective Fund, Accounts and Subaccounts, and applied in accordance with the Sections of this Indenture governing such Funds, Accounts and Subaccounts.

2. **Rebate Fund.** The I-Bank may withdraw and utilize earnings in any Fund, Account or Subaccount, other than the General Account and the Sale Proceeds Account (and the respective Subaccounts therein) in the CP Payment Fund, to pay into the Rebate Fund any amounts desired by the I-Bank or required pursuant to the Code to be set aside for rebate or to satisfy a yield restriction requirement to the Internal Revenue Service, as outlined in the Tax Certificate or any letter of instructions [referred to in Section 8.06(2) hereof]; provided, however, that to the extent any such moneys and investment earnings thereon on deposit in the Rebate Fund shall not be needed for such purposes at the times so outlined, all or a portion of such moneys may be transferred by the Trustee to the \_\_\_\_\_ Fund upon the Trustee's receipt of written instructions from an Authorized Officer of the I-Bank to such effect. The Authorized Officer of the I-Bank shall submit to the Trustee a Certificate specifying the Funds, Accounts and/or Subaccounts and the amount of earnings to be withdrawn for such purposes, and the Trustee shall be entitled to rely on each such Certificate in making payments to the I-Bank.

## ARTICLE IV

### SHORT-TERM CONSTRUCTION LOANS

**Section 4.1 Terms and Conditions of Short-Term Construction Loans.** The I-Bank shall make Short-Term Construction Loans to Borrowers for the purpose of paying a portion of the Costs of the Borrowers' Projects from moneys available therefor in the Project Fund, and shall enter into such Short-Term Construction Loans provided that the Conditions to Participation in Construction Financing Program shall have been satisfied.

**Section 4.2 Form of Pledged CFP Notes.** The Pledged CFP Notes shall be substantially in the form as determined by the I-Bank in connection with its Construction Financing Program, with such changes therein as shall be approved by the I-Bank.

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## ARTICLE V

### COVENANTS

**Section 5.1 Payment of Series 2021A ECP Notes.** The I-Bank shall pay or cause to be paid, but only from the sources provided in this Indenture, the principal of and interest on every Series 2021A ECP Note on the date, at the place and in the manner provided herein and in such Series 2021A ECP Note. The Series 2021A ECP Notes and all other payment obligations under this Indenture shall be special limited obligations of the I-Bank payable from the Trust Estate.

The Series 2021A ECP Notes shall not be payable from the general funds of the I-Bank and shall not constitute a legal or equitable pledge of, or lien or encumbrance upon, any of the assets or property of the I-Bank or upon any of its income, receipts or revenues, except as provided in this Indenture. The full faith and credit of the I-Bank are not pledged, either expressly or by implication, to the payment of the Series 2021A ECP Notes. The I-Bank has no taxing power and has no claim on any revenues or receipts of the State of New Jersey or any agency or political subdivision thereof or any Borrower except as expressly provided in a Borrower's Pledged CFP Note.

The moneys in the CP Payment Fund and in the Debt Service Reserve Fund and in the respective Accounts therein are being held for the benefit of the holders of the Series 2021A ECP Notes. The Trustee and the Issuing and Paying Agent acknowledge and agree that moneys in the CP Payment Fund and the Debt Service Reserve Fund are not available to pay any other obligations of the I-Bank.

**Section 5.2 Observance and Performance of Duties, Covenants, Obligations and Agreements; Representations as to Authorization and Validity of Series 2021A ECP Notes.** The I-Bank shall faithfully observe and perform at all times all of its duties, covenants, obligations and agreements contained in this Indenture and any Supplemental Indenture or in any proceedings of the I-Bank pertaining thereto.

The I-Bank represents and covenants that: (i) it is duly authorized under the Constitution and laws of the State of New Jersey, particularly the Act, to issue the Series 2021A ECP Notes, to make the Short-Term Construction Loans and to pledge the Trust Estate in the manner and to the extent set forth in this Indenture and as shall be set forth in any Supplemental Indenture; (ii) all action on its part for the issuance of the Series 2021A ECP Notes will be duly and effectively taken; and (iii) the Series 2021A ECP Notes in the hands of the Holders thereof will be valid and binding special obligations of the I-Bank enforceable according to their terms.

**Section 5.3 Liens, Encumbrances and Charges.** The I-Bank shall not create or cause to be created and shall not suffer to exist, any lien, encumbrance or charge upon the Trust Estate except the pledge, lien and charge created for the security of Holders of the Series 2021A ECP Notes. The I-Bank will cause to be discharged, or will make adequate provision to satisfy and discharge, within sixty (60) days after the same shall accrue, all lawful claims and demands that if unpaid might by law become a lien upon the Trust Estate; provided, however, that nothing contained in this Section shall require the I-Bank to pay or cause to be discharged, or make provision for, any such lien, encumbrance or charge so

long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

So long as Series 2021A ECP Notes shall be Outstanding, the I-Bank shall not issue any bonds, notes or other evidences of indebtedness, other than such Series 2021A ECP Notes, secured by any pledge of or other lien or charge on the Trust Estate. Nothing in this Indenture is intended to or shall affect the right of the I-Bank to issue bonds, notes and other obligations under other resolutions or indentures for any of its other purposes.

**Section 5.4 [Accounts and Audits.** The I-Bank shall keep, or cause to be kept, proper books of records and accounts (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Pledged CFP Notes, this Indenture and any Supplemental Indenture, which books and accounts (at reasonable hours and subject to the reasonable rules and regulations of the I-Bank) shall be subject to the inspection of the Trustee and any Holder of any Series 2021A ECP Notes or their agents or representatives duly authorized in writing. The I-Bank shall cause such books and accounts to be audited annually by a nationally recognized independent certified public accounting firm selected by the I-Bank. Annually, not later than December 1 of each year with respect to the fiscal year of the I-Bank ended on the immediately preceding June 30, a signed copy of such report shall be furnished by the I-Bank to the Trustee. The Trustee has no obligation to review the contents of such report, shall not be deemed to have knowledge of its contents, and shall receive and hold such report solely for the convenience of the Holders.]

**Section 5.5 Further Assurances.** The I-Bank will pass, make, do, execute, acknowledge and deliver any and all such further resolutions, indentures, actions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture and for the better assuring and confirming unto the Holders of Series 2021A ECP Notes the rights and benefits provided in this Indenture, including exercising its State aid intercept powers pursuant to the Act.

**Section 5.6 Tax Rebate.**

1. In connection with the issuance of any Series 2021A ECP Notes an Authorized Officer of the I-Bank is authorized to execute on behalf of the I-Bank a Certificate as to arbitrage (including the Tax Certificate), a letter of instructions as to certain requirements of the Code, or any similar documents relating to the characterization of such Series 2021A ECP Notes as not being “arbitrage bonds” within the meaning of Sections 103(a)(2) and 148 of the Code.

2. Any amounts required to be set aside for rebate or to satisfy a yield restriction requirement to the Internal Revenue Service pursuant to any letter of instructions or certificate as to arbitrage shall be considered a loss for purposes of determining “Net Earnings” pursuant to Section 3.9 hereof.

**Section 5.7 Covenant to Refinance.**

With respect to any Series 2021A ECP Notes the maturity of which has been extended pursuant to Section 2.2(e) hereof, the I-Bank covenants that it will promptly offer and sell notes, bonds or other debt obligations upon reasonable and customary terms and conditions so that the proceeds thereof may be applied to the payment of such Series 2021A ECP Notes on or prior to the applicable Extended Maturity Date. The I-Bank shall maintain in effect at all times that Series 2021A ECP Notes are Outstanding a resolution authorizing the issuance of such notes bonds or other debt obligations to refund the Series 2021A ECP Notes in an amount at least equal to the MaximumAggregate Principal Amount.

**Section 5.8 Covenant to Maintain Coverage Requirement.**

The I-Bank shall maintain, at all times, sufficient Pledged CFP Notes in the Trust Estate such that the aggregate outstanding principal amount of Convertible Pledged CFP Notes (the “Available Coverage Amount”) equals or exceeds the Coverage Requirement. In order to evidence compliance with this Section 5.8, an Authorized Officer of the I-Bank shall deliver to the Trustee a Certificate as to Pledged CFP Notes, which Certificate shall set forth the name of the Borrower, the outstanding principal amount of such Borrower’s Pledged CFP Note, the Available Coverage Amount with respect to such Borrower’s Pledged CFP Note and the aggregate Available Coverage Amount. The I-Bank shall deliver a Certificate as to Pledged CFP Notes to the Trustee (i) at or prior to the initial issuance and delivery of the Series 2021A ECP Notes and (ii) at or prior to any increase in the aggregate Outstanding principal amount of the Series 2021A ECP Notes.

**Section 5.9 Covenant as to Funding of Debt Reserve Fund.**

The I-Bank shall maintain, at all times, amounts on deposit in the Debt Service Reserve Fund such that the amount deposited therein shall equal or exceed the Debt Reserve Requirement. An Authorized Officer of the I-Bank shall calculate the Debt Reserve Requirement (i) in connection with any investment of Series 2021A ECP Note proceeds on deposit in the Project Fund in Investment Securities of the type described in paragraph (j) of the definition thereof or the liquidation of any such investment and (ii) if the maturity of any Series 2021A ECP Note is extended pursuant to Section 2.2(e) hereof. Notwithstanding anything to the contrary contained herein, the I-Bank shall not be required to make any deposits to the Debt Service Reserve Fund unless sufficient funds have been appropriated to the I-Bank from Bond Act Funds for such purpose and such funds can lawfully be applied to such purpose.

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**ARTICLE VI**

**DEFAULT PROVISIONS AND REMEDIES  
OF TRUSTEE AND HOLDERS**

**Section 6.1 Defaults; Events of Default.** If any of the following events occurs, it is hereby defined as and declared to be and to constitute an “Event of Default” for the Series 2021A ECP Notes then Outstanding:

(a) default in the due and punctual payment of any interest on any Series 2021A ECP Note; or

(b) default in the due and punctual payment of the principal of any Series 2021A ECP Note; or

(c) if (i) the I-Bank shall be adjudicated a bankrupt or become subject to an order for relief under federal bankruptcy law, (ii) the I-Bank shall institute a proceeding seeking an order for relief under federal bankruptcy law or seeking to be adjudicated a bankrupt or insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or all of its debts under New Jersey bankruptcy or insolvency law, (iii) with the consent of the I-Bank, there shall be appointed a receiver, liquidator or similar official for the I-Bank under federal bankruptcy law or under New Jersey bankruptcy or insolvency law, or (iv) without the application, approval or consent of the I-Bank, a receiver, trustee, liquidator or similar official shall be appointed for the I-Bank under federal bankruptcy law or under New Jersey bankruptcy or insolvency law, or a proceeding described in clause (ii) above shall be instituted against the I-Bank and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of sixty (60) consecutive days; or

(d) if (i) the I-Bank shall make an assignment for the benefit of creditors, (ii) the I-Bank shall apply for or seek the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its property, (iii) the I-Bank shall fail to file an answer or other pleading denying the material allegations of any proceeding filed against it described under clause (ii) of paragraph (c) of this Section, (iv) the I-Bank shall take any action to authorize or implement any of the actions set forth in paragraph (c) or (d) of this Section, (v) the I-Bank shall fail to contest in good faith any appointment or proceeding described in paragraph (c) or (d) of this Section or (vi) without the application, or approval or consent of the I-Bank, a receiver, trustee, examiner, liquidator or similar official shall be appointed for any substantial part of the I-Bank’s property and such appointment shall continue undischarged or such proceedings shall continue undismissed or unstayed for a period of sixty (60) consecutive days; or

(e) the I-Bank shall default in the performance or observance of any other of the duties, covenants, obligations, agreements or conditions on the part of the I-Bank to be performed or observed under this Indenture or the Series 2021A ECP Notes, which default shall continue for thirty (30) consecutive days after written notice specifying such default and requiring the same to be remedied shall be given to the I-Bank by the Trustee or the Holders in accordance with Section 6.10 hereof.

**Section 6.2 Acceleration of Series 2021A ECP Notes; Remedies.** If an Event of Default described in Section 6.1 shall occur for any Series 2021A ECP Notes, the Trustee may, and at the written request of the Holders of a majority in aggregate principal amount of the Outstanding Series 2021A ECP Notes shall, by telephonic notice to the I-Bank (promptly confirmed in writing) declare the principal of all Series 2021A ECP Notes then Outstanding to be due and payable; provided, however, that before making such declaration, the Trustee shall give thirty (30) days' notice to the I-Bank. Upon any such declaration, the Trustee shall forthwith give notice thereof to the Borrowers and the Issuing and Paying Agents.

At any time after the principal of the Series 2021A ECP Notes shall have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such Event of Default, or before the completion of the enforcement of any other remedy under this Indenture, the Trustee, by written notice to the I-Bank, may annul such declaration and its consequences if: (i) moneys shall have accumulated in the CP Payment Fund sufficient to pay all arrears of interest, if any, upon all of the Outstanding Series 2021A ECP Notes (except the interest accrued on such Series 2021A ECP Notes since the last Interest Payment Date) and the principal then due on all Series 2021A ECP Notes (except the principal on any such Series 2021A ECP Notes due solely as a result of any such declaration of acceleration); (ii) moneys shall have accumulated and be available sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee; and (iii) every other default known to the Trustee in the observance or performance of any duty, covenant, obligation, condition or agreement contained in the Series 2021A ECP Notes or in this Indenture, shall have been remedied to the satisfaction of the Trustee; provided, however, that such declaration may be annulled only with the written consent of the Holders of a majority in aggregate principal amount of the Series 2021A ECP Notes Outstanding and not then due by their terms. No such annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

Upon the occurrence of an Event of Default, the Trustee shall also have the following right and remedy:

Upon the filing of a suit or other commencement of judicial proceedings to enforce any rights of the Trustee and of the Holders of Series 2021A ECP Notes under this Indenture, the Trustee will be entitled as a matter of right to the appointment of a receiver or receivers of the Trust Estate and the issues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

If an Event of Default shall have occurred with respect to any Series 2021A ECP Notes, and if requested so to do by the Holders of a majority in principal amount of the Series 2021A ECP Notes then Outstanding, and upon being indemnified to its reasonable satisfaction therefor, the Trustee shall be obligated to exercise such one or more of the rights, remedies and powers conferred by this Section as the Trustee shall deem most expedient in the interests of the Holders of Series 2021A ECP Notes.

No right or remedy by the terms of this Indenture conferred upon or reserved to the Trustee (or to the Holders of Series 2021A ECP Notes) is intended to be exclusive of any other right or remedy, but each and every such right or remedy shall be cumulative and shall be in addition to

any other right or remedy given to Trustee or to such Holders hereunder or now or hereafter existing at law or in equity or by statute other than pursuant to the Act. The assertion or employment of any right or remedy shall not prevent the concurrent or subsequent assertion or employment of any other right or remedy.

No delay or omission to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein, and every such right or remedy may be exercised from time to time and as often as may be deemed expedient.

No waiver of any Event of Default hereunder, whether by the Trustee or by the Holders of any Series 2021A ECP Notes in default, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

**Section 6.3 Right of Holders of Series 2021A ECP Notes to Direct Proceedings.** Anything in this Indenture to the contrary notwithstanding, but subject to Section 6.7 hereof, the Holders of a majority in aggregate principal amount of Series 2021A ECP Notes in default then Outstanding shall have the right at any time during the continuance of an Event of Default of such Series 2021A ECP Notes, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder; provided, however, that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture.

**Section 6.4 Reserved.**

**Section 6.5 Application of Moneys.** All moneys received by the Trustee pursuant to any right or remedy given or action taken under the provisions of this Article upon any acceleration of the due date for the payment of the principal of and interest on the Series 2021A ECP Notes in default shall be applied, first, to the payment of the interest then due and unpaid upon the Series 2021A ECP Notes in default and, second, to the payment of the principal then due and unpaid upon the Series 2021A ECP Notes in default, to the persons entitled thereto, without any discrimination or privilege.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard for the amount of such moneys available for application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Holder of any Series 2021A ECP Notes in default until such obligation shall be presented to the Trustee for appropriate endorsement or for cancellation (as the case may be).

**Section 6.6 Remedies Vested in Trustee.** All rights of action (including, without limitation, the right to file proofs of claims) under this Indenture or under any of the Series 2021A

ECP Notes in default may be enforced by the Trustee without possession of any of the Series 2021A ECP Notes or the production thereof in any trial or other proceeding related thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee for the equal and ratable benefit of the Holders of all the Outstanding Series 2021A ECP Notes without the necessity of joining as plaintiffs or defendants any Holders of such Series 2021A ECP Notes.

**Section 6.7 Rights and Remedies of Holders of Series 2021A ECP Notes.** No Holder of Series 2021A ECP Notes then Outstanding in default shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless (a) an Event of Default shall have occurred, (b) the owners of a majority in aggregate principal amount of the Series 2021A ECP Notes then Outstanding shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the remedies hereinbefore granted or to institute such action, suit or proceeding in its own name, (c) the Holders shall have offered to the Trustee reasonable indemnity satisfactory to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request, and (d) the Trustee shall have refused, or for sixty (60) days after receipt of such request and offer of indemnification shall have failed to exercise the remedies hereinbefore granted, or to institute such action, suit or proceeding in its own name, and such request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder. It is understood and intended that no one or more Holders of the Series 2021A ECP Notes shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture by his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal and ratable benefit of the Holders of all Series 2021A ECP Notes then Outstanding; provided, however, that nothing contained in this Indenture shall affect or impair the right of the Holder of any Series 2021A ECP Notes to enforce the payment of the principal of and interest on such Series 2021A ECP Notes at and after the maturity thereof, or the obligation of the I-Bank to pay the principal of and interest on each of the Series 2021A ECP Notes issued hereunder to the respective Holders thereof at the time and place, from the source and in the manner expressed in the Series 2021A ECP Notes and in this Indenture and the Applicable Supplemental Indenture.

**Section 6.8 Termination of Proceedings.** In case the Trustee or a Holder of a Series 2021A ECP Notes in default shall have proceeded to enforce any right under this Indenture by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee or such Holder, then and in every such case the I-Bank, the Trustee and the Holders of Series 2021A ECP Notes shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee and the Holders shall continue as if no such proceedings have been taken.

**Section 6.9 Waivers of Events of Default.** The Trustee may and, upon the written request of the Holders of not less than 25% in aggregate principal amount of all Series 2021A ECP Notes in default then Outstanding, shall waive any Event of Default which in its opinion shall have been remedied before the completion of the enforcement of any remedy under this Indenture; but

no such waiver shall extend to any subsequent or other Event of Default, or impair any rights consequent thereon.

**Section 6.10 Notice of Certain Defaults; Opportunity of I-Bank to Cure Defaults.**

Anything herein to the contrary notwithstanding, no Default under Section 6.1(e) hereof shall constitute an Event of Default until actual notice of such Default shall be given to the I-Bank by registered or certified mail by the Trustee or by the Holders of a majority in aggregate principal amount of all Series 2021A ECP Notes then Outstanding and the I-Bank shall not have corrected the Default or caused the Default to be corrected within thirty (30) days following the giving of such notice; provided, however, that if the Default be such that it is correctable but cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by the I-Bank within the applicable period and diligently pursued until the Default is corrected.

The I-Bank hereby grants to the Trustee full authority for the account of the I-Bank to observe or perform any duty, covenant, obligation or agreement alleged in any alleged Default concerning which notice is given to the I-Bank under the provisions of this Section in the name and stead of the I-Bank with full power to do any and all things and acts to the same extent that the I-Bank could do and perform any such things and acts and with power of substitution.

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## ARTICLE VII FIDUCIARIES

**Section 7.1 Appointments, Duties, Immunities and Liabilities of Trustee.** The Trustee is hereby appointed and does hereby accept and agree to execute the trusts created under this Indenture and all other agreements with the I-Bank, but only upon the additional terms set forth in this Article, to all of which the Holders agree by their acceptance of delivery of any of the Series 2021A ECP Notes. The obligations and duties of the Trustee shall be determined solely by reference to this Indenture and all other agreements with the I-Bank.

### **Section 7.2 Issuing and Paying Agents; Appointments.**

1. The Trustee is hereby appointed Issuing and Paying Agent [and shall also act as registrar] for the Series 2021A ECP Notes. The Issuing and Paying Agent and any successor Issuing and Paying Agent shall perform the duties and obligations imposed on it hereunder and under the Issuing and Paying Agent Agreement. In performing its obligations under the Issuing and Paying Agent Agreement, the Issuing and Paying Agent shall be entitled to the same protections and immunities, and shall perform its obligations with the same standard of care, applicable to the Trustee pursuant to this Indenture.

2. The I-Bank may at any time or from time to time appoint one or more other Issuing and Paying Agents having the qualifications set forth in Section 7.13 for a successor Issuing and Paying Agent. There shall be no limitation upon the ability of the I-Bank to appoint the Trustee to serve as an Issuing and Paying Agent, provided that the Trustee otherwise satisfies the qualifications set forth herein (including, without limitation and as applicable, the qualifications set forth in Section 7.13 for a successor Issuing and Paying Agent) that are applicable to an Issuing and Paying Agent.

3. The Trustee hereby accepts its appointment as Issuing and Paying Agent [and as registrar] for the Series 2021A ECP Notes.

4. Unless otherwise provided, the principal corporate trust offices of the Issuing and Paying Agents for the payment of the interest on and principal of the Series 2021A ECP Notes are designated as the respective offices of the I-Bank.

5. The I-Bank may enter into agreements with any Issuing and Paying Agent providing for the payment to the I-Bank of amounts in respect of interest earned on moneys held by such Issuing and Paying Agent for the payment of principal of and interest on Series 2021A ECP Notes. Any such payments to the I-Bank shall be deposited in the General Account of the CP Payment Fund.

### **Section 7.3 Responsibilities of Fiduciaries.**

1. The recitals of fact contained herein and in the Series 2021A ECP Notes shall be taken as the statements of the I-Bank and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representation as to the validity or sufficiency of this Indenture or of any Series 2021A ECP Notes issued thereunder or as to the security afforded by this Indenture, and no Fiduciary shall incur any liability in respect thereof. The

[Trustee][Issuing and Paying Agent] shall, however, be responsible for its representation contained in its authentication certificate on the Series 2021A ECP Notes. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to the I-Bank or to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect thereof, or to advance any of its own moneys, unless properly indemnified to its satisfaction. Subject to the provisions of subsection 2 of this Section 7.3, no Fiduciary shall be liable in connection with the observance and performance of its duties and obligations hereunder except for its own negligence or misconduct.

2. The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and obligations and only such duties and obligations as are specifically set forth in this Indenture. In case an Event of Default has occurred (which has not been cured) the Trustee shall exercise such of the rights and powers invested in it by this Indenture, and use the same degree of care and skill in its exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs. Any provision of this Indenture relating to action taken or to be taken by the Trustee or to evidence upon which the Trustee may rely shall be subject to the provisions of this Section 7.3.

#### **Section 7.4 Evidence Upon Which Fiduciaries May Act.**

1. Each Fiduciary, upon receipt of any notice, Supplemental Indenture, request, consent, order, certificate, report, opinion, bond or other paper or document furnished to it pursuant to any provision of this Indenture, shall examine such instrument to determine whether it conforms to the requirements of this Indenture and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with Counsel, who may or may not be counsel to the I-Bank, and the opinion of such Counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Indenture in good faith and in accordance therewith.

Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate of an Authorized Officer of the I-Bank, and such Certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Indenture upon the faith thereof; but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable.

Except as otherwise expressly provided in this Indenture, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision thereof by the I-Bank to any Fiduciary shall be sufficiently executed in the name of the I-Bank by an Authorized Officer of the I-Bank.

**Section 7.5 Compensation.** The I-Bank shall pay each Fiduciary from time to time reasonable compensation for all services rendered under this Indenture, including in that limitation the services rendered pursuant to Section 9.1, and also all reasonable expenses incurred in and about the performance of their powers and duties under the Issuing and Paying Agent Agreement, and each Fiduciary shall have a lien therefor on any and all funds and accounts at any time held by it under this Indenture, other than the Project Fund. Subject to the provisions of Section 7.3, the I-Bank further agrees to reimburse and save each Fiduciary harmless against any losses, liabilities and expenses (including reasonable legal fees) which it may incur in the exercise and performance of its powers, duties and obligations hereunder, other than losses, liabilities and expenses (including legal fees) attributable to the negligence, bad faith, breach of contract or misconduct of the Fiduciary, arising out of or as a result of the Fiduciary performing its obligations under this Indenture or the Issuing and Paying Agent Agreement or undertaking any transaction contemplated by this Indenture; provided, however, that the foregoing is subject to the limitations of the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:2-1 *et seq.* and the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 *et seq.*

While the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 *et seq.*, is not applicable by its terms to claims arising under contracts with the I-Bank, each Fiduciary agrees that such statute (except N.J.S.A. 59:13-9) shall be applicable to all claims against the I-Bank arising under this Section 7.5.

Each Fiduciary agrees as follows:

The Fiduciary shall give the I-Bank prompt notice in writing of any actual or potential claim described above and the institution of any suit or action;

The Fiduciary shall not adjust, settle or compromise any such claim, suit or action without the approval of I-Bank; and

The Fiduciary shall permit the I-Bank, if the I-Bank so chooses, to assume full control of the adjustment settlement, compromise or defense of each such claim, suit or action.

The reimbursement obligation provided in this Section 7.5 does not apply or extend to any indemnification given by a Fiduciary to any other person.

**Section 7.6 Certain Permitted Acts.** Any Fiduciary may become the Holder of any Series 2021A ECP Notes, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depositary for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Holders or to effect or aid in any reorganization growing out of the enforcement of the Series 2021A ECP Notes or this Indenture, whether or not any such committee shall represent the Holders of a majority in principal amount of the Series 2021A ECP Notes then Outstanding.

**Section 7.7 Resignation of Trustee.** The Trustee may at any time resign and be discharged of the duties and obligations created by this Indenture by giving not less than one hundred twenty (120) days written notice to the I-Bank, and mailing notice thereof to the Holders of the Series 2021A ECP Notes then Outstanding, specifying the date when such resignation shall



take effect, and such resignation shall take effect upon the day specified in such notice unless previously a successor shall have been appointed by the I-Bank or the Holders as provided in Section 7.9, in which event such resignation shall take effect immediately on the appointment of such successor, or unless a successor shall not have been appointed by the I-Bank or the Holders as provided in Section 7.9 on that date, in which event such resignation shall not take effect until a successor is appointed.

**Section 7.8 Removal of Trustee.** The Trustee may be removed at any time: (i) by an instrument or concurrent instruments in writing, filed with the Trustee, and signed by the Holders of a majority in principal amount of the Series 2021A ECP Notes then Outstanding or their attorneys-in-fact duly authorized, excluding any Series 2021A ECP Notes held by or for the account of the I-Bank, (ii) so long as no Event of Default, or any event which, with notice or passage of time, or both, would become an Event of Default, shall have occurred and be continuing, for just cause by a resolution of the I-Bank filed with the Trustee, (iii) upon a determination by the I-Bank, in its sole discretion, that the compensation charged by the Trustee is excessive for the duties, obligations and other services to be performed by the Trustee pursuant to this Indenture, such determination by the I-Bank to be established by a resolution adopted by the I-Bank and filed with the Trustee no less than 30 days prior to the effective date of such termination, or (iv) for any reason to be determined by the I-Bank, in its sole discretion, and without any requirement that just cause be demonstrated, such determination by the I-Bank to be established by a resolution adopted by the I-Bank and filed with the Trustee no less than 30 days prior to the effective date of such termination, provided, however, that the provisions of this clause (iv) shall not be implemented by the I-Bank more frequently than once every fifth year. Notwithstanding any other provision in this Article VII, no removal of the Trustee shall take effect until a successor shall be appointed pursuant to the provisions of Section 7.9.

#### **Section 7.9 Appointment of Successor Trustee.**

In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, a successor may be appointed by the I-Bank by a duly executed written instrument signed by an Authorized Officer of the I-Bank, but if the I-Bank does not appoint a successor Trustee within forty-five (45) days then by the Holders of a majority in principal amount of the Series 2021A ECP Notes then Outstanding, excluding any Series 2021A ECP Notes held by or for the account of the I-Bank, by an instrument or concurrent instruments in writing signed and acknowledged by such Holders or by their attorneys-in-fact duly authorized and delivered to such successor Trustee, notification thereof being given to the I-Bank and the predecessor Trustee. After such appointment of a successor Trustee, the I-Bank shall mail notice of any such appointment made by it or the Holders to the Holders of the Series 2021A ECP Notes then Outstanding.

If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within forty-five (45) days after the Trustee shall have given to the I-Bank written notice as provided in Section 7.7 or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, the Trustee or the Holder of any Series 2021A ECP Note may apply to any court of competent jurisdiction to appoint a successor Trustee. Said

court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a bank or trust company or national banking association in good standing, qualified to do business in the State of New Jersey (to the extent such requirement is applicable to such Trustee), duly authorized to exercise trust powers, subject to examination by federal or state authority, having capital stock and surplus aggregating at least \$50,000,000, if there be such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture.

**Section 7.10 Transfer of Rights and Property to Successor Trustee.** Any successor Trustee appointed under this Indenture shall execute, acknowledge and deliver to its predecessor Trustee, and also to the I-Bank, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the written request of the I-Bank, or of the successor Trustee, execute, acknowledge and deliver such instrument of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under this Indenture, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the I-Bank be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the I-Bank. Any such successor Trustee shall promptly notify the Issuing and Paying Agents of its appointment as Trustee.

**Section 7.11 Merger or Consolidation.** Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business; provided, such company (i) shall be a bank or trust company organized under the laws of any state of the United States or a national banking association and (ii) shall be authorized by law to perform all the duties imposed upon it by this Indenture, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act.

**Section 7.12 Adoption of Authentication.** In case any of the Series 2021A ECP Notes contemplated to be issued under this Indenture shall have been authenticated but not delivered, any successor Issuing and Paying Agent may adopt the certificate of authentication of any predecessor Issuing and Paying Agent so authenticating such Series 2021A ECP Notes and deliver such Series 2021A ECP Notes so authenticated; and in case any of the said Series 2021A ECP Notes shall not have been authenticated, any successor Issuing and Paying Agent may authenticate such Series 2021A ECP Notes in the name of the predecessor Issuing and Paying Agent, or in the name of the successor Issuing and Paying Agent, and in all such cases such

certificate shall have the full force which it is anywhere in said Series 2021A ECP Notes or in this Indenture provided that the certificate of the Issuing and Paying Agent shall have.

**Section 7.13      Resignation or Removal of Issuing and Paying Agent; Appointment of Successor.**

Any Issuing and Paying Agent may at any time resign and be discharged of the duties and obligations created by this Indenture and the Issuing and Paying Agent Agreement in accordance with the terms of the Issuing and Paying Agent Agreement. Any Issuing and Paying Agent may be removed at any time by an instrument filed with such Issuing and Paying Agent and the Trustee and signed by an Authorized Officer of the I-Bank. Any successor Issuing and Paying Agent shall be appointed by the I-Bank [with the written approval of the Trustee] and shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, having capital stock and surplus aggregating at least \$50,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all duties imposed upon it by this Indenture.

In the event of the resignation or removal of any Issuing and Paying Agent, such Issuing and Paying Agent shall pay over, assign and deliver any moneys held by it as Issuing and Paying Agent to its successor, or if there be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Issuing and Paying Agent, the Trustee shall act as such Issuing and Paying Agent.

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## ARTICLE VIII AMENDMENTS

**Section 8.1 Supplemental Indentures Effective Upon Notice to Holders.** For any one or more of the following purposes and at any time or from time to time, the I-Bank and the Trustee may enter into a Supplemental Indenture, which, upon the notice to Holders, shall be fully effective in accordance with its terms:

(a) To close this Indenture against, or provide limitations and restrictions contained in Indenture on, the authentication and delivery of Series 2021A ECP Notes;

(b) To add to the duties, covenants, obligations and agreements of the I-Bank in this Indenture, other duties, covenants, obligations and agreements to be observed and performed by the I-Bank which are not contrary to or inconsistent with this Indenture as theretofore in effect;

(c) To add to the limitations and restrictions in this Indenture, other limitations and restrictions to be observed by the I-Bank which are not contrary to or inconsistent with this Indenture as theretofore in effect;

(d) Reserved;

(e) To confirm as further assurance, any security interest, pledge or assignment under this Indenture, and the subjection of any moneys, securities or funds to any security interest, pledge or assignment created or to be created by this Indenture;

(f) To modify any of the provisions of this Indenture in any other respect whatever, provided that (i) such modification shall be, and be expressed to be, effective only after all Series 2021A ECP Notes then Outstanding at the date of the adoption of such Supplemental Indenture shall cease to be Outstanding, and (ii) such Supplemental Indenture shall be specifically referred to in the text of all Series 2021A ECP Notes authenticated and delivered after the date of the adoption of such Supplemental Indenture and of bonds, notes or other obligations issued in exchange therefor or in place thereof;

(g) To modify any of the provisions of this Indenture in any respect provided that the modifications affect only Series 2021A ECP Notes issued subsequent to the date of such modifications; or

(h) To comply with the provisions of any federal or state securities law, including, without limitation, the Trust Indenture Act of 1939, as amended, or to comply with Section 103 of the Code, as amended, replaced or substituted.

If the Supplemental Indenture entered by the I-Bank pursuant to this Section materially increases the duties and responsibilities of the Trustee hereunder, the I-Bank shall reasonably compensate the Trustee for such materially increased duties and responsibilities.

**Section 8.2 Supplemental Indentures Effective Upon Filing of Opinion of Bond Counsel.** For any one or more of the following purposes and at any time or from time to time, the

I-Bank and the Trustee may enter into a Supplemental Indenture, which, upon (i) the provision of notice to Holders and (ii) the filing with the I-Bank and the Trustee of an opinion of Bond Counsel to the effect that such Supplemental Indenture will not adversely affect the exclusion from gross income of the interest on the Series 2021A ECP Notes for federal income tax purposes, shall be fully effective in accordance with its terms:

To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provisions in this Indenture;

To insert such provisions clarifying matters or questions arising under this Indenture as are necessary or desirable and are not contrary to or inconsistent with this Indenture as theretofore in effect;

Reserved; or

To make any other modification or amendment of this Indenture which will not have a material adverse effect on the interests of Holders.

In making any determination under this Section 8.2, the Trustee may conclusively rely upon an opinion of Bond Counsel.

**Section 8.3 Supplemental Indenture Effective With Consent of Holders.** At any time or from time to time, the I-Bank and the Trustee may enter into a Supplemental Indenture subject to consent by the Holders in accordance with and subject to the provisions of Sections 8.6 and 8.7, which Supplemental Indenture, upon (i) compliance with the provisions of said Sections 8.6 and 8.7 and (ii) the filing with the I-Bank and the Trustee of an opinion of Bond Counsel to the effect that such Supplemental Indenture will not adversely affect the exclusion from gross income of the interest on the Series 2021A ECP Notes for federal income tax purposes, shall become fully effective in accordance with its terms as provided in said Section 8.7. Provided, however, that, any Supplemental Indenture which by its terms only affects one or more Series 2021A ECP Notes may be adopted subject to the consent of the Holders of the Series 2021A ECP Notes so affected.

**Section 8.4 General Provisions.**

This Indenture shall not be modified or amended in any respect except by Supplemental Indenture as provided in and in accordance with and subject to the provisions of this Article VII. Nothing contained in this Article VIII shall affect or limit the right or obligation of the I-Bank to adopt, make, do, execute, acknowledge or deliver any resolution, act or other instrument pursuant to the provisions of this Indenture or the right or obligation of the I-Bank to execute and deliver to any Trustee any instrument which elsewhere in this Indenture it is provided shall be delivered to said Trustee.

Any Supplemental Indenture referred to and permitted or authorized by Section 8.1 or 8.2 may be adopted by the I-Bank without the consent of any of the Holders, but shall become effective only on the conditions, to the extent and at the time provided in said Sections, respectively. The copy of every Supplemental Indenture when filed with the Trustee shall be accompanied by an opinion of Bond Counsel stating that such Supplemental Indenture has been duly and lawfully

adopted in accordance with the provisions of this Indenture, is authorized or permitted by this Indenture, and is valid and binding upon the I-Bank in accordance with its terms.

The Trustee is hereby authorized to accept the delivery of a certified copy of any Supplemental Indenture referred to and permitted or authorized by Sections 8.1, 8.2 or 8.3 and to make all further agreements and stipulations which may be therein contained, and the Trustee, in taking such action, shall be fully protected in relying on an opinion of Bond Counsel that such Supplemental Indenture is authorized or permitted by the provisions of this Indenture.

No Supplemental Indenture shall change or modify any of the rights or obligations of any Fiduciary without their written assent thereto.

**Section 8.5 Mailing.** Any provision in this Article for the mailing of a notice or other paper to Holders of Series 2021A ECP Notes shall be fully complied with if it is mailed, postage prepaid only, to each registered owner of Series 2021A ECP Notes then Outstanding at his address, if any, appearing upon the registry books of the I-Bank.

**Section 8.6 Powers of Amendment by Supplemental Indenture.** Unless otherwise permitted under Section 8.1 or Section 8.2, any modification or amendment of this Indenture and of the rights and obligations of the I-Bank and of the Holders of the Series 2021A ECP Notes thereunder, in any particular, may be made only by a Supplemental Indenture with the written consent (i) of the Holders of not less than a majority in principal amount of the Series 2021A ECP Notes Outstanding at the time such consent is given and (ii) in case less than all of the Series 2021A ECP Notes then Outstanding are affected by the modification or amendment, of the Holders of not less than a majority in principal amount of the 2021A ECP Notes so affected and Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any affected Series 2021A ECP Notes remain Outstanding the consent of such Holders shall not be required and such Series 2021A ECP Notes shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Series 2021A ECP Notes under this Section. No such modification or amendment shall permit a change in the maturity of the principal of any Outstanding Series 2021A ECP Notes or of any installment of interest thereon or a reduction in the principal amount thereof or in the rate of interest thereon without the consent of the Holder of such obligation, or shall reduce the percentages or otherwise affect the classes of Series 2021A ECP Notes, the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Trustee without their written assent thereto. For the purposes of this Section, a Series 2021A ECP Note shall be deemed to be affected by a modification or amendment of this Indenture if the same adversely affects or diminishes the rights of the Holder thereof. The Trustee may in its discretion determine whether or not in accordance with the foregoing powers of amendment any Series 2021A ECP Note would be affected by any modification or amendment of this Indenture and any such determination shall be binding and conclusive on the I-Bank and all Holders. In taking such action, the Trustee may rely upon the opinion of Bond Counsel. For purposes of this Section, the Holders of any Series 2021A ECP Notes may include the initial Holders thereof, regardless of whether such Series 2021A ECP Notes are being held for resale.

**Section 8.7 Consent of Holders.** The I-Bank may at any time adopt a Supplemental Indenture making a modification or amendment permitted by the provisions of Section 8.6 to take

effect when and as provided in this Section. A copy of such Supplemental Indenture (or brief summary thereof or reference thereto in form approved by the Trustee), together with a request to Holders for their consent thereto in form satisfactory to the Trustee, shall be mailed by the I-Bank to Holders (but failure to mail such copy and request shall not affect the validity of the Supplemental Indenture when consented to as in this Section provided). Such Supplemental Indenture shall not be effective unless and until there shall have been filed with the Trustee (a) the written consents of the Holders of the percentages of Outstanding Series 2021A ECP Notes specified in Section 8.6 and (b) an opinion of Bond Counsel addressed to the Trustee stating that such Supplemental Indenture has been duly and lawfully adopted and filed by the I-Bank in accordance with the provisions of this Indenture, is authorized or permitted by this Indenture, and is valid and binding upon the I-Bank and enforceable in accordance with its terms. It shall not be necessary that the consents of Holders of Series 2021A ECP Notes approve the particular form of wording of the proposed modification or amendment or of the proposed Supplemental Indenture effecting such modification or amendment, but it shall be sufficient if such consents approve the substance of the proposed amendment or modification. Each such consent shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Series 2021A ECP Notes with respect to which such consent is given, which proof shall be such as is permitted by Section 9.2. A Certificate or Certificates executed by the Trustee and filed with the I-Bank stating that it has examined such proof and that such proof is sufficient in accordance with Section 9.2 shall be conclusive that the consents have been given by the Holders of the Series 2021A ECP Notes described in such Certificate or Certificates of the Trustee. Any such consent shall be binding upon the Holder of the Series 2021A ECP Notes giving such consent and, anything in Section 9.2 to the contrary notwithstanding, upon any subsequent Holder of such Series 2021A ECP Notes and of any Series 2021A ECP Notes issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof) unless such consent is revoked in writing by the Holder of such Series 2021A ECP Notes giving such consent or a subsequent Holder thereof by filing with the Trustee, prior to the time when the written statement of the Trustee hereinafter in this Section 8.7 provided for is filed, such revocation and proof that such Series 2021A ECP Notes are held by the signer of such revocation in the manner permitted by Section 9.2. The fact that a consent has not been revoked may likewise be proved by a Certificate of the Trustee filed with the I-Bank to the effect that no revocation thereof is on file with the Trustee.

At any time after the Holders of the required percentages of Series 2021A ECP Notes shall have filed their consents to the Supplemental Indenture, the Trustee shall make and file with the I-Bank a written statement that the Holders of such required percentages of such Series 2021A ECP Notes have filed such consents. Such written statements shall be conclusive that such consents have been so filed. At any time thereafter, notice stating in substance that the Supplemental Indenture (which may be referred to as a Supplemental Indenture adopted by the I-Bank on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Series 2021A ECP Notes and will be effective as provided in this Section 8.7, may be given to Holders by the I-Bank by mailing such notice to Holders (but failure to mail such notice shall not prevent such Supplemental Indenture from becoming effective and binding as in this Section 8.7 provided). The I-Bank shall file with the Trustee proof of the mailing thereof. A record, consisting of the certificates or statements required or permitted by this Section 8.7 to be made by the Trustee, shall be proof of the matters therein stated. Such Supplemental Indenture making such amendment or modification shall be deemed conclusively binding upon the I-Bank, the Fiduciaries and the Holders of all Series 2021A ECP Notes at the expiration of forty (40) days

after the filing with the Trustee of the proof of the mailings of such last-mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Indenture in a legal action or equitable proceeding for such purpose commenced within such forty (40) day period; provided, however, that any Fiduciary and the I-Bank during such forty (40) day period and any such further period during which any such action or proceeding may be pending shall be entitled in its absolute discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Indenture as it may deem expedient.

**Section 8.8 Modifications or Amendments by Unanimous Consent.** The terms and provisions of this Indenture and the rights and obligations of the I-Bank and of the Holders of the Series 2021A ECP Notes thereunder may be modified or amended in any respect upon the adoption and filing by the I-Bank of a Supplemental Indenture and the consent thereto of the Holders of all of the Series 2021A ECP Notes then Outstanding, such consent to be given as provided in Section 8.7 except that no notice to Holders of Series 2021A ECP Notes either by mailing or publication shall be required; provided, however, that no such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary without the filing with the Trustee of the written assent thereto of such Fiduciary in addition to the consent of the Holders of Series 2021A ECP Notes.

**Section 8.9 Exclusion of Series 2021A ECP Notes.** Series 2021A ECP Notes owned or held by or for the account of the I-Bank shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Series 2021A ECP Notes provided for in this Article VIII, and the I-Bank shall not be entitled with respect to such Series 2021A ECP Notes to give any consent or take any other action provided for in this Article. At the time of any consent or other action taken under this Article, the I-Bank shall furnish to the Trustee a Certificate of an Authorized Officer of the I-Bank, upon which the Trustee may rely, describing all Series 2021A ECP Notes so to be excluded.

**Section 8.10 Notation on Series 2021A ECP Notes.** Series 2021A ECP Notes authenticated and delivered after the effective date of any Supplemental Indenture pursuant to this Article VIII may, and, if the I-Bank or the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the I-Bank and the Trustee as to any modification or amendment provided for in such Supplemental Indenture and, in that case upon demand of the Holder of any Series 2021A ECP Note Outstanding and upon presentation of any Series 2021A ECP Note for such purpose at the Principal Office of the Trustee, a suitable notation shall be made on such Series 2021A ECP Note. If the I-Bank or the Trustee shall so determine, new Series 2021A ECP Notes so modified as to conform, in the opinion of the Trustee and the I-Bank, to any modification or amendment contained in such Supplemental Indenture, shall be prepared, authenticated and delivered and upon demand of the Holder of any Series 2021A ECP Note then Outstanding shall be exchanged, without cost to such Holder, for Series 2021A ECP Notes of the same Series, principal amount, maturity and interest rate then Outstanding, upon surrender of such Series 2021A ECP Notes. Any action taken as in Article VII or this Article VIII provided shall be effective and binding upon all Holders notwithstanding that the notation is not endorsed on all Series 2021A ECP Notes.

**Section 8.11 Effect of Supplemental Indenture.** Upon the effective date of any Supplemental Indenture, this Indenture shall be deemed to be modified and amended in accordance



therewith, the respective rights, duties, covenants, obligations and agreements under this Indenture of the I-Bank, the Trustee and all Holders of Series 2021A ECP Notes Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

**Section 8.12 Consent of Issuing and Paying Agent and Dealer.** The I-Bank shall not adopt any amendment, modification or change to this Indenture if such amendment, modification or change would affect the rights, duties, obligations or liabilities of the Issuing and Paying Agent or the Dealer without the prior written consent of the Issuing and Paying Agent or the Dealer, respectively, which shall not be unreasonably withheld.

**Section 8.13 Notice of Amendments.** Promptly after the adoption by the I-Bank of any Supplemental Indenture, the Trustee shall mail by first class mail, postage prepaid, a notice, setting forth in general terms the substance thereof, to the Holder of 2021A ECP Notes affected by such amendment. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

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## **ARTICLE IX**

### **DEFEASANCE**

#### **Section 9.1        Defeasance.**

1. If the I-Bank shall pay or cause to be paid the principal of and interest on all of the Series 2021A ECP Notes and the Issuing and Paying Agent shall have received a Non-Issuance Notice with respect to all Series 2021A ECP Notes, then the security pledged hereby to the Series 2021A ECP Notes and all other rights granted hereby to the Holders shall be discharged and satisfied. In such event, the Issuing and Paying Agent shall pay or deliver all moneys, securities and funds held by it pursuant to this Indenture that are not required for the payment of Series 2021A ECP Notes not theretofore surrendered for such payment to, or as directed by, the I-Bank.

2. A Series 2021A ECP Note shall be deemed to have been paid within the meaning of and with the effect expressed in this Section if sufficient money for the payment of the principal of and interest on such Series 2021A ECP Note, whether at or prior to the maturity of such Series 2021A ECP Note, or noncallable United States Government Obligations, the principal of and the interest on which when due will provide sufficient moneys for such payments, or any combination thereof, shall then be held by the Issuing and Paying Agent and, if such deposit is made more than sixty (60) days prior to the maturity of such Series 2021A ECP Note, the Issuing and Paying Agent on behalf of the I-Bank shall have made provision for the giving of notice to the Holder of such Series 2021A ECP Note that such moneys and/or Government Obligations are so available for such payment.

#### **Section 9.2        Evidence of Signatures and Ownership of Series 2021A ECP Notes.**

Any request, consent, revocation of consent or other instrument which this Indenture or any Supplemental Indenture may require or permit to be signed and executed by the Holders of Series 2021A ECP Notes may be in one or more instruments of similar tenor and shall be signed or executed by such Holders of Series 2021A ECP Notes in person or by their attorneys appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, shall be sufficient for any purpose of this Indenture or any Supplemental Indenture (except as otherwise therein expressly provided) if made in the following manner, or in any other manner satisfactory to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable. The fact and date of the execution by any Holder of any Series 2021A ECP Notes or his attorney of such instruments may be proved by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate or affidavit shall also constitute sufficient proof of his authority.

The ownership of Series 2021A ECP Notes and the amount, numbers and other identification, and date of holding the same shall be proved by the registry books maintained by the Trustee.

Any request or consent by the Holder of any Series 2021A ECP Note shall bind all future owners of such Series 2021A ECP Notes in respect of anything done or suffered to be done by the I-Bank or any Trustee in accordance therewith.

**Section 9.3        Moneys Held for Particular Series 2021A ECP Notes.** The amounts held by any Fiduciary for the payment of the interest or principal due on any date with respect to particular Series 2021A ECP Notes shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Series 2021A ECP Notes entitled thereto.

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## ARTICLE X

### MISCELLANEOUS

**Section 10.1 Liability of I-Bank Limited to Trust Estate.** Notwithstanding anything contained in this Indenture or in the Series 2021A ECP Notes except with regard to the Debt Service Reserve Fund to the limited extent set forth in Section 5.9 hereof, the I-Bank shall not be required to advance any moneys derived from any source other than the Trust Estate for any of the purposes in this Indenture, whether for the payment of the principal or Redemption Price of, or interest on, the Series 2021A ECP Notes or for any other purpose of this Indenture. Nevertheless, the I-Bank may, but shall not be required to, advance for any of the purposes hereof any funds of the I-Bank that may be made available to it for such purposes.

**Section 10.2 Successor Is Deemed Included in All References to Predecessor.** Whenever in this Indenture either the I-Bank or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the duties, covenants, obligations and agreements contained in this Indenture by or on behalf of the I-Bank or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof, whether so expressed or not.

**Section 10.3 Limitation of Rights to Parties.** Nothing expressed or implied in this Indenture or in the Series 2021A ECP Notes is intended or shall be construed to give to any person other than the I-Bank, the Trustee, the Issuing and Paying Agents and the Holders of Series 2021A ECP Notes any legal or equitable right, remedy or claims under or in respect of this Indenture or any duty, covenant, obligation, agreement, condition or provision therein or herein contained; and all such duties, covenants, obligations, agreements, conditions and provisions are and shall be for the sole and exclusive benefit of the I-Bank, the Trustee, the Issuing and Paying Agents and the Holders of Series 2021A ECP Notes.

**Section 10.4 Waiver of Notice.** Whenever in this Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

**Section 10.5 Destruction of Series 2021A ECP Notes.** Whenever in this Indenture provision is made for the cancellation by the Trustee and the delivery to the I-Bank of any Series 2021A ECP Notes, unless otherwise requested in writing the I-Bank, in lieu of such cancellation and delivery, the Trustee shall destroy such Series 2021A ECP Notes (in the presence of an officer of the I-Bank, if the I-Bank shall so require), and deliver a Certificate of such destruction to the I-Bank.

**Section 10.6 Severability of Invalid Provisions.** If any one or more of the provisions contained in this Indenture or in the Series 2021A ECP Notes shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Indenture or in the Series 2021A ECP Notes and such invalidity, illegality or unenforceability shall not affect any other provision of this Indenture, and this Indenture shall be construed as if such invalid or illegal or

unenforceable provision had never been contained herein. The I-Bank hereby declares that it would have entered into this Indenture and each and every section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Series 2021A ECP Notes pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases of this Indenture may be held illegal, invalid or unenforceable.

#### **Section 10.7 Dealer.**

1. Initially, Morgan Stanley & Co. LLC shall be the Dealer for the Series 2021A ECP Notes. Prior to undertaking its duties, each Dealer shall execute and deliver a Dealer Agreement in form and substance acceptable to the I-Bank and reasonably acceptable to the Issuing and Paying Agent.

2. A Dealer may be removed at any time by the I-Bank by notice to such Dealer and the Issuing and Paying Agent and otherwise in accordance with the provisions of the Dealer Agreement. A Dealer may resign in accordance with the terms of the Dealer Agreement. Upon the resignation or removal of a Dealer, the I-Bank shall appoint a substitute Dealer.

#### **Section 10.8 Indexing Agent.**

1. Initially, \_\_\_\_\_ shall be the Indexing Agent for the Series 2021A ECP Notes. The Indexing Agent shall signify its acceptance of the duties and obligations imposed upon it here under by a written instrument of acceptance delivered to the I-Bank, the Trustee and the Issuing and Paying Agent.

2. An Indexing Agent may be removed at any time by the I-Bank by notice to such Indexing Agent and the Issuing and Paying Agent. An Indexing Agent may resign upon thirty (30) days written notice to the I-Bank. Upon the resignation or removal of an Indexing Agent, the I-Bank shall appoint a substitute Indexing Agent.

**Section 10.9 Notices.** Any notices, certificates or other communications required or permitted to be given herein shall be in writing (unless otherwise specifically required or permitted herein) and shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid (unless otherwise specifically required or permitted herein) to the I-Bank, the Trustee, and the Issuing Paying Agent at the addresses set forth below:

I-Bank:	New Jersey Infrastructure Bank 3131 Princeton Pike Building 4, Suite 216 Lawrenceville, New Jersey 08648 Attention: Executive Director
---------	--

Trustee: [\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 Attention: Corporate Trust Department]

Issuing and  
 Paying Agent: [\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 Attention: Corporate Trust Department]

The I-Bank, the Trustee, and the Issuing and Paying Agent may designate any further or different address to which subsequent notices and communications shall be sent by giving notice thereof to the other parties hereto.

Initial Dealer: Morgan Stanley & Co. LLC  
 1585 Broadway, 2<sup>nd</sup> Floor  
 New York, New York 10036  
 Attention: Municipal Short-term Projects

If to an additional or successor Dealer appointed hereunder, as provided in the applicable Dealer Agreement.

Initial Indexing  
 Agent:

If to an additional or successor Indexing Agent appointed hereunder, as provided by the Indexing Agent in a written certificate.

The Issuing and Paying Agent shall mail to each Rating Agency written notice of (i) any substitution of the Trustee or Issuing and Paying Agent; (ii) the appointment of a new Dealer; (iii) the termination, by resignation or otherwise, of the duties of any Dealer; and (iv) the termination of the I-Bank's program of issuing Series 2021A ECP Notes hereunder. The failure of the Issuing and Paying Agent to give to any Rating Agency any notice required under this Indenture shall not affect the validity of any action taken in accordance with the provisions hereof.

**Section 10.10 Disqualified Series 2021A ECP Notes.** In determining whether the Holders of the requisite aggregate principal amount of Series 2021A ECP Notes have concurred in any demand, request, direction, consent or waiver under this Indenture, Series 2021A ECP Notes that are owned or held by or for the account of the I-Bank or any Borrower, or by any other primary or secondary obligor on any Loan Agreement, or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the I-Bank or any Borrower or any other primary or secondary obligor on any Loan Agreement, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Series 2021A ECP Notes so owned that have been pledged in good faith may be regarded as Outstanding for the purpose of this Section

if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Series 2021A ECP Notes and that the pledgee is not a person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the I-Bank or any Borrower or any other primary or secondary obligor on any Loan Agreement. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of Counsel shall be full protection to the Trustee.

The determination to be made hereunder by the Trustee with respect to Series 2021A ECP Notes to be disregarded and deemed not to be Outstanding shall be based upon information that has been brought to the attention of the Trustee. There is no affirmative duty on the part of the Trustee to undertake any investigation in determining Series 2021A ECP Notes to be disregarded and deemed not to be Outstanding.

**Section 10.11 Funds and Accounts.** Any fund, account or subaccount required by this Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund, an account or a subaccount, and, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, may be treated either as a fund, an account or a subaccount; but all such records with respect to all such funds, accounts or subaccounts shall at all times be maintained in accordance with generally accepted accounting principles, to the extent practicable, or some other accounting standard recognized by the State or acceptable to the I-Bank.

**Section 10.12 Waiver of Personal Liability.** No member, officer, agent or employee of the I-Bank shall be individually or personally liable for the payment of the principal of, or interest on, the Series 2021A ECP Notes or be subject to any personal liability or accountability by reason of the issuance thereof, all such liability, if any, being expressly waived and released by each Holder of Series 2021A ECP Notes by the acceptance of such Series 2021A ECP Notes, but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law or by this Indenture.

**Section 10.13 I-Bank Protected in Acting in Good Faith.** In the exercise of the powers of the I-Bank and its members, officers, employees and agents under this Indenture, the Loan Agreements or any other document executed in connection with the Series 2021A ECP Notes, the I-Bank shall not be accountable to any Borrower, the Trustee, the Issuing and Paying Agent, or any Holder for any action taken or omitted by it or its members, officers, employees and agents in good faith and believed by it or them to be authorized or within the discretion or rights or powers conferred.

**Section 10.14 Business Days.** Except as otherwise specifically provided herein, if any date specified herein for the payment of any Series 2021A ECP Notes or the performance of any act shall not be a Business Day at the place of payment or performance, such payment or performance shall be made on the next succeeding Business Day with the same effect as if made on such date, and in case any payment of the principal of or interest on any Series 2021A ECP Notes shall be due on a date that is not a Business Day, interest on such principal amount shall cease to accrue on the date on which such payment was due if such payment is made on the immediately succeeding Business Day.

**Section 10.15 Counterparts.** This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. Both parties hereto may sign the same counterpart or each party hereto may sign a separate counterpart.

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IN WITNESS WHEREOF, the New Jersey Infrastructure Bank has caused this Indenture to be signed in its name by its authorized officers, and [\_\_\_\_\_], in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its duly authorized officer all as of the day and year first above written.

**WITNESS:**

**NEW JERSEY INFRASTRUCTURE BANK**

\_\_\_\_\_

By: \_\_\_\_\_

Name:

Title:

[\_\_\_\_\_] , as Trustee

**ATTEST:**

\_\_\_\_\_

By: \_\_\_\_\_

Name:

Title:

**Appendix A****SPECIMEN NOTE MASTER NOTE CERTIFICATE**

UNITED STATES OF AMERICA  
STATE OF NEW JERSEY

NEW JERSEY INFRASTRUCTURE BANK  
ENVIRONMENTAL INFRASTRUCTURE EXTENDABLE COMMERCIAL PAPER NOTES  
[(GREEN NOTES)], SERIES 2021A  
MASTER NOTE

\$150,000,000

FINAL  
MATURITY DATE

CUSIP  
(PREFIX)

ORIGINAL DATE  
OF ISSUANCE

\_\_\_\_\_, 20\_\_

\_\_\_\_\_

\_\_\_\_\_, 2021

REGISTERED OWNER: CEDE & CO., AS NOMINEE OF THE DEPOSITORY TRUST COMPANY

PRINCIPAL AMOUNT: NOT TO EXCEED ONE HUNDRED FIFTY MILLION DOLLARS (\$150,000,000) OUTSTANDING AT ANY TIME

NEW JERSEY INFRASTRUCTURE BANK (the "I-Bank"), a public body corporate and politic and an instrumentality of the State of New Jersey created and existing under the laws of the State of New Jersey, hereby acknowledges itself indebted to, and for value received hereby promises to pay to the Registered Owner identified above, or to its assigns, with respect to each obligation identified on the "Underlying Records" described below of the I-Bank as being evidenced by this Master Note: (i) the principal amount of each such obligation that is payable on its principal maturity date, as specified on the Underlying Records; and (ii) interest on the principal amount of each such obligation that is payable on its principal maturity date, as specified on the Underlying Records. Interest shall be calculated at the rate and according to the calculation convention specified on the Underlying Records. A principal maturity date may not occur following the Final Maturity Date set forth above.

This Master Note is issued pursuant to an Indenture of Trust dated as of \_\_\_\_\_, 2021 (the "Indenture"), between the I-Bank and [\_\_\_\_\_] , as trustee (the "Trustee"), as such Indenture may be amended or supplemented from time to time, and the Issuing and Paying Agent Agreement dated as of \_\_\_\_\_, 2021 (the "Issuing and Paying Agent Agreement") between the I-Bank and [\_\_\_\_\_] , as issuing and paying agent (the "Issuing and Paying Agent"). The Indenture has been entered into to finance certain costs described in the Indenture. For purposes of this Master Note, the Indenture and the Issuing and Paying Agent Agreement are the Underlying Records, and the Underlying Records are maintained by [\_\_\_\_\_] , as Trustee]. Capitalized terms used but not defined herein have the meanings given to them in the Indenture.

The Series 2021A ECP Notes and all other payment obligations under the Indenture are special limited obligations of the I-Bank. In addition, to secure the payment of the Series 2021A ECP Notes and the performance of the covenants in the Indenture and the Series 2021A ECP Notes, the I-Bank has pledged and assigned to the Issuing and Paying Agent, and has granted to the Issuing and Paying Agent a security interest in the Funds and Accounts established pursuant to the Indenture.

The Series 2021A ECP Notes are authorized under and in full compliance with the Constitution and statutes of the State of New Jersey, including, without limitation, the “New Jersey Infrastructure Trust Act”, constituting chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey, as amended and supplemented (herein called the “Act”). The Series 2021A ECP Notes shall not be payable from the general funds of the I-Bank and shall not constitute a legal or equitable pledge of, or lien or encumbrance upon, any of the assets or property of the I-Bank or upon any of its income, receipts or revenues, except as provided in the Indenture. The full faith and credit of the I-Bank are not pledged, either expressly or by implication, to the payment of the Series 2021A ECP Notes. The I-Bank has no taxing power and has no claim on any revenues or receipts of the State of New Jersey or any agency or political subdivision thereof or any Borrower except as expressly provided in a Borrower’s Loan Agreement

This Master Note has been issued by the I-Bank pursuant to the Indenture and authenticated by the Issuing and Paying Agent pursuant to the Indenture and the Issuing and Paying Agent Agreement and is entitled to the benefits of the Indenture.

THIS MASTER NOTE IS A SPECIAL LIMITED OBLIGATION OF THE I-BANK AND IS PAYABLE SOLELY FROM THE SOURCES REFERRED TO IN THE INDENTURE. NEITHER THE CREDIT NOR THE TAXING POWER OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED FOR THE PAYMENT OF THIS MASTER NOTE, NOR SHALL THIS MASTER NOTE BE OR BE DEEMED A GENERAL OBLIGATION OF THE STATE OF NEW JERSEY OR OF ANY POLITICAL SUBDIVISION THEREOF. THE I-BANK HAS NO TAXING POWER.

No recourse shall be had for the payment of the principal of or interest on the Series 2021A ECP Notes, or for any claim based hereon or on the Indenture, against any member, officer or employee, past, present or future, of the I-Bank or of any successor body, as such, either directly or through the I-Bank or any such successor body, under any constitutional provision, statute or rule of law, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, all such liability of such members, officers or employees being released as a condition of and as consideration for the execution of the Indenture and the issuance of this Master Note.

The Indenture and the Issuing and Paying Agent Agreement are on file with the Issuing and Paying Agent at its office at [\_\_\_\_\_].

**IN WITNESS WHEREOF, NEW JERSEY INFRASTRUCTURE BANK** has caused this Master Note to be executed in its name and on its behalf by the manual or facsimile signature of its Chairman or Vice-Chairman and its seal to be impressed, imprinted, engraved or otherwise reproduced hereon and attested by the manual or facsimile signature of its Secretary or Assistant Secretary[, all as of the Dated Date hereof].

**NEW JERSEY INFRASTRUCTURE BANK**

**By:** \_\_\_\_\_  
Name:  
Title

[SEAL]

**ATTEST:**

\_\_\_\_\_  
Name:  
Title:

Countersigned for Authentication only:

[\_\_\_\_\_] ,  
as Issuing and Paying Agent

By: \_\_\_\_\_  
Name:  
Title:

THIS MASTER NOTE IS NOT VALID FOR ANY PURPOSE UNLESS COUNTERSIGNED  
BY [\_\_\_\_\_] , AS ISSUING AND PAYING AGENT.

**Appendix B****FORM OF NEW SUB-SERIES ORDER**

NEW JERSEY INFRASTRUCTURE BANK  
 Environmental Infrastructure Extendable Commercial Paper Notes [(Green Notes)],  
 Series 2021A

To: [\_\_\_\_\_] , as Issuing and Paying Agent

Morgan Stanley & Co. LLC, as Dealer

Reference is hereby made to that certain Indenture of Trust dated as of \_\_\_\_\_, 2021 (the “Indenture”) between the NEW JERSEY INFRASTRUCTURE BANK (the “I-Bank”) and [\_\_\_\_\_] , as trustee. All capitalized terms used but not otherwise defined herein shall have the meaning given them in the Indenture.

In accordance with Section 2.8 of the Indenture, the I-Bank hereby gives notice as follows:

1. Effective \_\_\_\_\_, 20\_\_, upon the satisfaction of the conditions set forth in Section 2.8(b) of the Indenture, a new Sub-Series shall be established under the Indenture. The new Sub-Series shall be designated “Sub-Series \_\_\_\_”.

2. The I-Bank, and by executing the acknowledgment below, the Issuing and Paying Agent and Morgan Stanley & Co. LLC, as the Dealer, acknowledge that the Indenture, the Issuing and Paying Agent Agreement, and the Dealer Agreement identified on Exhibit A hereto shall apply to the new Sub-Series.

IN WITNESS WHEREOF, the I-Bank, by its duly authorized representative, hereby executed and deliver this New Program Order, as of the \_\_ day of 20\_\_.

NEW JERSEY INFRASTRUCTURE BANK

By: \_\_\_\_\_  
Name:  
Title:

## EXHIBIT B

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**NEW JERSEY INFRASTRUCTURE BANK**

**and**

**[\_\_\_\_\_] , as Trustee**

---

**INDENTURE OF TRUST**

**Dated: \_\_\_\_\_, 20\_\_**

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**\$(\_\_\_\_\_) Environmental Infrastructure Bonds, Series 20\_\_ (Green Bonds)**

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Exhibit A - Form of Series Bond

Exhibit B - Form of I-Bank Continuing Disclosure Agreement

## INDENTURE OF TRUST

This **INDENTURE OF TRUST** (this “Indenture,” as defined herein), dated \_\_\_\_\_, 20\_\_, by and between the **NEW JERSEY INFRASTRUCTURE BANK**, a public body corporate and politic constituting an instrumentality of the State of New Jersey with corporate succession (the “I-Bank”), and [\_\_\_\_\_], a [national banking association], duly organized, validly existing and authorized to accept and execute trusts of the character herein set out under and by virtue of the laws of the State of New Jersey, as trustee (together with any successor trustee hereunder and their respective successors and assigns, the “Trustee”).

## RECITALS

**WHEREAS**, in furtherance of the “New Jersey Water Bank Financing Program” of the I-Bank (the “Financing Program”) and pursuant to and in accordance with (i) the “New Jersey Infrastructure Trust Act”, constituting Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey (the “State”) (codified at N.J.S.A. 58:11B-1 *et seq.*), as the same may be amended and supplemented from time to time (the “Act”), (ii) a resolution, duly adopted by the Board of Directors of the I-Bank pursuant to and in accordance with Section 6(c) of the Act, and (iii) a financial plan developed pursuant to and in accordance with Sections 21, 21.1, 22 and 22.1 of the Act, and approved by a concurrent resolution duly adopted by the Legislature of the State, the I-Bank may issue bonds, notes or other obligations, from time to time, for the purpose of making loans to qualifying borrowers from the proceeds of such bonds, notes or other obligations in order to finance a portion of the allowable costs of such borrower’s environmental infrastructure facilities (“Environmental Infrastructure Facilities”) (consisting of Wastewater Treatment Facilities, Stormwater Management Facilities or Water Supply Facilities, as such terms are defined in the rules and regulations promulgated by the I-Bank (N.J.A.C. 7:22-3 *et seq.*, 7:22-4 *et seq.*, 7:22-5 *et seq.*, 7:22-6 *et seq.*, 7:22-7 *et seq.*, 7:22-8 *et seq.*, 7:22-9 *et seq.* and 7:22-10 *et seq.*, as the same may be amended and supplemented from time to time (collectively, the “Regulations”)); and

**WHEREAS**, pursuant to and in accordance with Section 6(c) of the Act, the I-Bank is authorized to enter into a trust indenture that, *inter alia*, shall provide for the issuance of such bonds, notes or other obligations and for their payment and security; and

**WHEREAS**, pursuant to an Indenture of Trust, dated \_\_\_\_\_, 2021, by and between the I-Bank and the ECP Trustee (the “ECP Indenture”), the I-Bank determined to issue, in one or more Series, an aggregate outstanding principal amount not to exceed \$150,000,000 of Environmental Infrastructure Extendable Commercial Paper Notes [(Green Notes)], Series **2021A-1N** (the “Series 2021A ECP Notes”) from time to time, the proceeds of which were applied (i) to make short-term loans to qualified borrowers and for any other purposes for which bonds, notes or other obligations of the I-Bank may be issued pursuant to the Act and (ii) to pay the costs of issuing the Series 2021A ECP Notes, all pursuant to the terms and provisions of the ECP Resolution (as herein defined) and the ECP Indenture; and

**WHEREAS**, there are currently \$\_\_\_\_\_ aggregate principal amount of Series 2021A ECP Notes outstanding under the ECP Indenture; and

**WHEREAS**, pursuant to the ECP Resolution, the I-Bank authorized, among other things, the issuance and sale of its Series 20\_\_ Bonds (as hereinafter defined), on a limited and expedited basis, in furtherance of the Extendable Commercial Paper financing program authorized pursuant to the ECP Resolution, for the purposes of (a) funding each Loan to be made pursuant to each Applicable Loan Agreement in connection with each Applicable Borrower’s Project (as such terms are hereinafter defined) in furtherance of the Long-Term Conversion of certain Water Bank Construction Loans (as such terms are defined in the ECP Resolution) and the payment of the aggregate principal of and accrued interest on the

outstanding Series 2021A ECP Notes, and (b) paying costs of issuance relating to the Series 20\_\_ Bonds; and

**WHEREAS**, the I-Bank has determined to issue its \$[ ],000 aggregate principal amount of Environmental Infrastructure Bonds, Series 20\_\_ (Green Bonds) (the “Series 20\_\_ Bonds”) pursuant to the terms and provisions of the ECP Resolution and this Indenture; and

**WHEREAS**, the Trustee has the power to enter into this Indenture and to execute the trusts hereby created and has accepted the trusts so created and in evidence thereof has joined in the execution hereof; and

**WHEREAS**, all things necessary to make the Bonds (as defined herein), when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding and legal obligations of the I-Bank according to the import thereof, and to constitute this Indenture a valid assignment and pledge of the amounts assigned and pledged to the payment of the principal of, premium, if any, and interest on the Bonds have been done and performed, and the creation, execution and delivery of this Indenture, and the creation, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized;

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## **GRANTING CLAUSES**

### **NOW, THEREFORE, THIS INDENTURE FURTHER WITNESSETH:**

That the I-Bank, in consideration of the promises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Bonds by the holders and owners thereof, and for good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of, premium, if any, and interest on the Bonds according to their tenor and effect, and to secure the performance and observance by the I-Bank of all of the covenants expressed or implied herein and in the Bonds, does hereby grant, bargain, sell, convey, assign and pledge, and grant a security interest in, to the Trustee, and its successors in trust and assigns forever, to the extent provided in this Indenture (capitalized terms used in these granting clauses and not defined herein shall have the meanings ascribed thereto in Section 1.01 hereof):

#### **GRANTING CLAUSE FIRST**

All rights, title and interest of the I-Bank in, to and under the Loan Agreements, except for the I-Bank's right, title and interest in the Administrative Fee;

#### **GRANTING CLAUSE SECOND**

All rights, title and interest of the I-Bank in, to and under the Revenues;

#### **GRANTING CLAUSE THIRD**

All rights, title and interest of the I-Bank in, to and under all funds, accounts and subaccounts established by this Indenture (other than the Project Loan Accounts in the Project Fund, the Administrative Fee Account and the Costs of Issuance Account in the Operating Expense Fund, and the Rebate Fund), including investments, if any, thereof, subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture;

#### **GRANTING CLAUSE FOURTH**

All other property of any kind, if any, mortgaged, pledged or hypothecated by the I-Bank at any time as and for additional security for the Bonds, or by anyone properly authorized on behalf of the I-Bank or with its written consent, in favor of the Trustee, which is hereby authorized to receive all such property at any time and to hold and apply it subject to the terms hereof;

**TO HAVE AND TO HOLD** all the same with all privileges and appurtenances hereby transferred, pledged, conveyed, assigned and/or granted, or agreed or intended to be, to the Trustee and its assigns in trust forever;

**IN TRUST**, however, on the terms and conditions herein for the equal and proportionate benefit, security and protection of the Bondholders from time to time of the Bonds Outstanding, without preference, priority or distinction as to participation in the lien, benefit and protection of this Indenture of one Bond over or from the others, except as herein otherwise expressly provided. The I-Bank hereby covenants and agrees with the Trustee and with the respective Bondholders, from time to time, of the Bonds as follows:

## ARTICLE I

### DEFINITIONS AND RULES OF INTERPRETATION

#### SECTION 1.01 Definitions.

(a) Unless the context otherwise requires, for all purposes of this Indenture, the following capitalized terms shall have the respective meanings as set forth in the recitals hereof:

Act  
 Department  
 ECP Indenture  
 Environmental Infrastructure Facilities  
 Financing Program  
 I-Bank  
 Regulations  
 Series 2021A ECP Notes  
 State  
 Trustee

(b) Unless the context otherwise requires, for all purposes of this Indenture, the terms defined in this Section 1.01(b) shall have the meanings specified below:

**“Account”** means any account designated and established hereunder.

**“Administrative Fee”** means an annual fee established by, and pursuant to the terms of, the Financial Plan as a percentage of the initial principal amount of the Applicable Loan, payable to the I-Bank by the Applicable Borrower in accordance with the terms of its Loan Agreement.

**“Administrative Fee Account”** means the Account within the Operating Expense Fund so designated and established by Article V hereof.

**“Allocable Share”** for any Borrower means, with respect to the Net Earnings on all Funds, Accounts and Subaccounts that are subject to transfer and credit in accordance with Sections 5.10(3) and (4) hereof, the percentage as calculated for each such Borrower for each respective Bond Year, which percentage shall be equal to a fraction, the numerator of which shall equal the then current principal amount due and owing during such Bond Year with respect to the Loan for, as the case may be, (i) such Clean Water SRF Borrower, (ii) such Drinking Water SRF Borrower, (iii) such Clean Water non-SRF Borrower or (iv) such Drinking Water non-SRF Borrower, and the denominator of which shall equal (1) the aggregate of the then current principal amount due and owing during such Bond Year with respect to all Loans for, as applicable, (i) all Clean Water SRF Borrowers, (ii) all Drinking Water SRF Borrowers, (iii) all Clean Water non-SRF Borrowers or (iv) all Drinking Water non-SRF Borrowers, less (2) the original principal amount of the Loan for any such Borrower that, as of the date of calculation hereof, no longer has an outstanding Loan. The calculation of the Allocable Share, as provided by the terms hereof, shall be performed by an Authorized Office of the I-Bank, or a designee thereof, (A) on September 2 of a given Bond Year if, since the prior March 1, a Borrower has satisfied in full all of its repayment obligations with respect to its Loan and such Loan, therefore, is no longer outstanding, or (B) March 2 of a given Bond Year if, since the prior September 1, a Borrower has satisfied in full all of its repayment obligations with respect to its Loan and such Loan, therefore, is no longer outstanding. The Allocable



Share for each Borrower, calculated as of the date of issuance of the Series 20\_\_ Bonds, and subject to future modification in accordance with the terms hereof, is set forth in Schedule I hereto.

**“Allowable Project Cost”** means for any Borrower the I-Bank Share as initially defined in Exhibit B to such Borrower’s Loan Agreement.

**“Applicable”** means (i) with reference to any Supplemental Indenture, the particular Supplemental Indenture that is at issue for the purposes of the application of the terms hereof in the context hereof, (ii) with reference to any Series of Bonds, the particular Series of Bonds, issued for a particular purpose hereunder, that is at issue for the purposes of the application of the terms hereof in the context hereof, (iii) with reference to any Fund, Account or Subaccount so designated and established by this Indenture, the particular Fund, Account or Subaccount so designated and established and that is at issue for the purposes of the application of the terms hereof in the context hereof, (iv) with reference to any Borrower, the particular Borrower that is at issue for the purposes of the application of the terms hereof in the context hereof, and (v) with respect to any Loan Agreement (and the Loan made pursuant to the terms thereof), the particular Loan Agreement (and the Loan made pursuant to the terms thereof) entered into by and between a Borrower and the I-Bank, relating to a borrowing from the I-Bank, and that is at issue for the purposes of the application of the terms hereof in the context hereof.

**“Authorized Newspapers”** means three general newspapers and one financial newspaper, all of which are customarily published at least once a day for at least five days (other than legal holidays) in each calendar week, printed in the English language and of general circulation, with respect to the general newspapers, in the State of New Jersey, and with respect to the financial newspaper, in the State of New Jersey or the Borough of Manhattan, City and State of New York.

**“Authorized Officer”** means (i) in the case of the I-Bank, the Chairperson, Vice-Chairperson, Secretary or Executive Director of the I-Bank, or any other person or persons designated by the Board by resolution to act on behalf of the I-Bank pursuant to this Indenture; the designation of such person or persons shall be evidenced by a written Certificate containing the specimen signature of such person or persons and signed on behalf of the I-Bank by its Chairperson, Vice-Chairperson, Secretary or Executive Director and delivered to the Trustee; (ii) in the case of a Borrower, any person or persons authorized pursuant to a resolution or ordinance of the governing body of the Borrower to perform any act or execute any document; the designation of such person or persons shall be evidenced by a certified copy of such resolution or ordinance delivered to the I-Bank and the Trustee; and (iii) in the case of the Trustee, any person or persons authorized to perform any act or execute any document; the designation of such person or persons shall be evidenced by a written Certificate containing the specimen signature of such person or persons reasonably acceptable to the I-Bank.

**“Board”** means the Board of Directors of the I-Bank, or if said Board shall be abolished, the board, body, commission or agency succeeding to the principal functions thereof or to whom the powers and duties granted or imposed by this Indenture shall be given by law.

**“Bond”** or **“Bonds”** means one or more, as the case may be, of the Series 20\_\_ Bonds or a Series of Refunding Bonds, and all bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III or Sections 4.07 or 11.10 hereof.

**“Bond Counsel”** means a law firm, appointed by the I-Bank, having a reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds.

**“Bondholder”, “Holder”** or **“holder”** means any person who shall be the registered owner of a Bond or Bonds.

**“Bond Year”** means a period of 12 consecutive months beginning on September 1 of any calendar year and ending on August 31 of the immediately succeeding calendar year, except that the first bond year shall be a period commencing on the date of issuance of the initial Series of Bonds hereunder and ending on the next succeeding August 31.

**“Borrower”** means any Local Government Unit or Public Water Utility (as such terms are defined in the Act) authorized to construct, operate and maintain Environmental Infrastructure Facilities and that has entered into a Loan Agreement with the I-Bank pursuant to which such Borrower will borrow money from the Project Fund that has been funded through the issuance of the Series 20\_\_ Bonds. The municipal Local Government Unit Borrowers are identified on Schedule A-1 attached hereto. The authority Local Government Unit Borrowers are identified on Schedule A-2 attached hereto. The Private Water Utility Borrowers are identified on Schedule A-3 attached hereto. Each such Schedule shall identify the respective Borrower’s Project number assigned thereto by the Department and the status of such Borrower as either an SRF Borrower or a non-SRF Borrower.

**“Borrower’s Project”** means the project of the Borrower, as described in Exhibit A-1 to the Applicable Loan Agreement, which constitutes a project for which the I-Bank is permitted to make a loan to the Borrower pursuant to the Act.

**“Business Day”** means, with respect to the Bonds of any Series, any day other than (i) a Saturday, Sunday or legal holiday in the State of New Jersey or a day on which banking institutions, in the city in which the Principal Office of the Trustee, the Paying Agent, or the Master Program Trustee is located, are closed, or (ii) a day on which the New York Stock Exchange is closed.

**“Capitalized Interest Account”** means the Account within the Debt Service Fund so designated and established by Article V hereof.

**“Certificate”, “Order”, “Request”, “Requisition” and “Statement”** mean, respectively, a written Certificate, order, request, requisition or statement signed in the name of the I-Bank, the Trustee or a Borrower by an Authorized Officer of the I-Bank, the Trustee or such Borrower, respectively. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the instruments so combined shall be read and construed as a single instrument.

**“Clearing Account”** means the account so designated and established by Section 5.04(1) hereof.

**“Code”** means the Internal Revenue Code of 1986, as the same may from time to time be amended or supplemented, including any regulations promulgated thereunder and any administrative or judicial interpretations thereof.

**“Completed Long-Term Conditions Precedent”** means the Long-Term Conditions Precedent identified in clause (iii) of the definition of Long-Term Conditions Precedent.

**“Cost”** means those costs that are eligible, reasonable, necessary, allocable to a Borrower’s Project and permitted by generally accepted accounting principles, including Allowances and Building Costs (as defined in the Regulations), as shall be determined on a project-specific basis in accordance with the Regulations.

**“Costs of Issuance”** means all items of expense directly or indirectly payable by or reimbursable to the I-Bank and related to the authorization, execution, issuance, sale and delivery of each Series of Bonds, including (without limitation) costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Trustee, and the Paying Agent, legal fees and charges, fees and disbursements of financial or other consultants and professionals, fees and charges for preparation, execution and safekeeping of the Bonds of such Series and any other cost, charge or fee in connection with the issuance of such Series of Bonds.

**“Costs of Issuance Account”** means the Account within the Operating Expense Fund so designated and established by Article V hereof.

**“Counsel”** means an attorney at law or firm of attorneys at law (who may be, without limitation, of counsel to, or an employee of, the I-Bank, the Trustee, the Paying Agent, the Master Program Trustee or any Borrower) duly admitted to practice law before the highest court of the State of New Jersey, or other United States jurisdiction, or otherwise qualified to practice law in the State of New Jersey or other United States jurisdiction.

**“Debt Service Fund”** means the fund so designated and established by Article V hereof.

**“Default”** means an event or condition the occurrence of which would, with the lapse of time or the giving of notice or both, become an Event of Default with respect to the Bonds as described in Section 9.01 hereof.

**“DTC”** means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as securities depository for the Series 20\_\_ Bonds, as and to the extent provided herein.

**“ECP Resolution”** means that certain “Resolution of the New Jersey Infrastructure Bank Authorizing (I) its Extendable Commercial Paper Financing Program and the Issuance and Sale of its Environmental Infrastructure Extendable Commercial Paper Notes and (II) the Issuance and Sale of its Environmental Infrastructure Bonds, on a Limited and Expedited Basis, in Furtherance of its Extendable Commercial Paper Financing Program”, as adopted by the Board on March [XX], 2021, and all amendments and supplements thereto adopted in accordance with the provisions thereof.

**“ECP Trustee”** means [XXX] and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to the ECP Indenture.

**“Event of Default”** means any occurrence or event designated as such in Section 9.01.

**“Expedited I-Bank Bonds Aggregate Principal Amount Cap”** means an amount not to exceed that amount that shall be sufficient to pay the total of all of the following: (i) the aggregate principal of and accrued interest on all outstanding Series 2021A ECP Notes, plus (ii) (A) that amount, in excess of the amount identified in clause (i) hereof, that shall be required in order to ensure funding of 100% of the cost of completing construction of each Project that is the subject of the Long-Term Conversion of Water Bank Construction Loan Notes through such Series 20\_\_ Bonds financing, including capitalized interest, (B) costs of issuance relating to the issuance of such Series 20\_\_ Bonds and (C) any fee that is due and owing to the NJDEP and/or the I-Bank that is financed by the Borrower for the Project.

**“Expedited I-Bank Bonds Condition to Issuance”** means any one of the following objectives: (1) to prevent a potential payment default of ECP Notes during a period of illiquidity, (2) to cure a payment default of Series 2021A ECP Notes during a period of illiquidity or (3) to redeem Series 2021A

ECP Notes, the maturity date of which has been extended pursuant to the “extendable feature” of the ECP Indenture.

**“Fiduciary”** or **“Fiduciaries”** means the Trustee or the Paying Agent, or both of them, as may be appropriate.

**“Financial Plan”** means that certain financial plan developed for, and applicable to, the particular State fiscal year during which the Series 20\_\_ Bonds, and any Series of Refunding Bonds, shall be issued pursuant hereto, which financial plan shall be prepared as required by, and in accordance with, Sections 21, 21.1, 22 and 22.1 of the Act, and approved by a concurrent resolution duly adopted by the Legislature of the State.

**“Fund”** means any Fund designated and established hereunder.

**“General Fund”** means the Fund so designated and established by Article V hereof.

**“I-Bank Bond Loan Repayments”** means the repayments of the principal amount of a Loan under a Loan Agreement, the payment of any premium associated with prepaying the principal amount of a Loan in accordance with Section 3.07 of any Loan Agreement, plus the payments of the Interest Portion of a Loan under a Loan Agreement.

**“Indenture”** means this Indenture of Trust, as amended, supplemented, amended and restated, or otherwise modified from time to time.

**“Interest Account”** means the Account within the Debt Service Fund so designated and established by Article V hereof.

**“Interest Payment Date”** means, with respect to the Series 20\_\_ Bonds and any Series of Refunding Bonds, each March 1 and September 1, until final maturity thereof, commencing on the date specified, as applicable, in Section 2.03(2) hereof with respect to the Series 20\_\_ Bonds or in the Applicable Supplemental Indenture with respect to any Series of Refunding Bonds.

**“Interest Portion”** means that portion of I-Bank Bond Loan Repayments payable by a Borrower under such Borrower’s Loan Agreement that is necessary to pay any such Borrower’s proportionate share of interest on the Bonds (i) as set forth in Exhibit A-2 of any such Loan Agreement under the column heading entitled “Interest”, or (ii) with respect to any prepayment or acceleration, as the case may be, of I-Bank Bond Loan Repayments in accordance with Section 3.07 or 5.03 of any such Loan Agreement, to accrue on any principal amount of I-Bank Bond Loan Repayments to the date of the redemption or acceleration, of the Bonds allocable to such prepaid or accelerated I-Bank Bond Loan Repayment.

**“Investment Securities”** means and includes any of the following securities, if and to the extent the same are at the time legal for investment of the I-Bank’s funds, which securities may be obligations of the Trustee to the extent qualified hereunder:

(a) Obligations of, or obligations guaranteed as to principal and interest by, the United States or any agency or instrumentality thereof which obligations are backed by the full faith and credit of the United States. These include, but are not limited to:

- (i) United States Treasury obligations – All direct or fully guaranteed obligations;
- (ii) Farmers Home Administration – Certificates of beneficial ownership;

- (iii) United States Maritime Administration – Guaranteed Title XI financing;
  - (iv) Small Business Administration – Guaranteed participation certificates; Guaranteed pool certificates;
  - (v) Government National Mortgage Association (GNMA) – GNMA-guaranteed mortgage-backed securities; GNMA-guaranteed participation certificates;
  - (vi) United States Department of Housing & Urban Development – Local authority bonds;
  - (vii) Washington Metropolitan Area Transit Authority – Guaranteed transit bonds;
  - (viii) State and Local Government Series; and
  - (ix) Veterans Administration – Guaranteed REMIC; Pass-through Certificates.
- (b) Federal Housing Administration Debentures.
- (c) Obligations of the following government-sponsored agencies that are not backed by the full faith and credit of the United States government.
- (i) Federal Home Loan Mortgage Corp. (FHLMC) – Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts); Senior debt obligations;
  - (ii) Farm Credit System (Formerly: Federal Land Banks, Federal Intermediate Credit Banks, and Banks for Cooperative) – Consolidated systemwide bonds and notes;
  - (iii) Federal Home Loan Banks (FHL Banks) – Consolidated debt obligations;
  - (iv) Federal National Mortgage Association (FNMA) – Senior debt obligations; Mortgage-backed securities (Excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts);
  - (v) Student Loan Marketing Association (SLMA) – Senior debt obligations (Excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date); LOC-backed issues;
  - (vi) Financing Corp. (FICO) – Debt obligations; and
  - (vii) Resolution Funding Corp. (REFCORP) – Debt obligations.
- (d) Federal funds, unsecured certificates of deposit, time deposits, and banker's acceptances having maturities of not more than 365 days of any bank (including the Trustee), the short-term obligations of which are rated in the highest rating category for short term obligations by at least one Rating Agency.
- (e) Deposits that are fully insured by the Federal Deposit Insurance Corp. (FDIC), including Bank Insurance Fund (BIF) and Savings Association Insurance Fund (SAIF). To the extent that such deposits are not insured by FDIC, such deposits shall be fully collateralized by the obligations described in any of paragraphs (a), (b) or (c) of this definition.

(f) (i) Debt obligations rated in the highest rating category for debt obligations by at least one Rating Agency. Excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date.

(ii) Pre-refunded municipal securities rated in the highest rating category for municipal securities by at least one Rating Agency.

(g) Commercial paper or other debt obligations rated in the highest rating category for commercial paper or debt obligations by at least one Rating Agency maturing in not more than 365 days.

(h) Investment in money market funds, with a stable net asset value per share, rated in the highest rating category for money market funds by at least one Rating Agency (including such money markets funds managed by the Trustee or any of its affiliates).

(i) Any of the following stripped securities:

(i) United States Treasury STRIPS;

(ii) REFCORP STRIPS (stripped by the Federal Reserve Bank of New York); and

(iii) Any stripped securities assessed or rated in the highest rating category for stripped securities by at least one Rating Agency.

(j) Repurchase agreements, provided that such repurchase agreements satisfy each of the following requirements:

(i) The counterparty to the repurchase agreement is rated no lower than “Aa” by Moody’s Investors Service, Inc., “AA” by Standard & Poor’s Corporation or “AA” by Fitch Ratings, Inc. (without reference to any gradation within such rating category);

(ii) The weighted average maturity of the repurchase agreement is not longer than the lesser of the estimated average period required to complete construction of the Projects or five years from the date the repurchase agreement is entered into;

(iii) The seller of the repurchase agreement is (A) a bank or trust company or a wholly-owned subsidiary of such bank or trust company which is headquartered in the United States and is a member of the Federal Reserve System or (B) a securities broker which is headquartered in the United States, is registered with the Securities and Exchange Commission, and meets the criteria for issuers of “commercial paper” as specified under N.J.A.C. 17:16-31;

(iv) The collateral for the repurchase agreement consists of obligations of the United States Government or an obligation of the following United States Government agencies:

(A) Federal Farm Credit Banks Consolidated Systemwide Bonds;

(B) Federal Financing Bank;

(C) Federal Home Loan Banks; and

(D) Federal Land Banks;

(v) At the time the repurchase agreement is purchased, the market value of the securities delivered as collateral pursuant to the repurchase agreement is equal to at least 102 percent of the par value of the repurchase agreement; and

(vi) The repurchase agreement shall be purchased pursuant to a competitively bid process.

(k) Such other securities approved by each of the Rating Agencies that would not adversely affect the rating on the Coverage Receiving Trust Bonds (as defined in the Master Program Trust Agreement) then Outstanding.

**“Loan”** means a loan by the I-Bank to a Borrower, pursuant to the Applicable Loan Agreement, to finance or refinance a portion of the Cost of such Borrower’s Project. For all purposes of this Indenture, the principal amount of each Loan shall be the principal amount specified in the applicable bond of a Borrower issued in accordance with the Applicable Loan Agreement.

**“Loan Agreement”** means a loan agreement that is entered into by and between the I-Bank and a Borrower, pursuant to which a loan is made by the I-Bank to finance, in part, such Borrower’s Project, as such Loan Agreement may be amended, modified or supplemented from time to time in accordance with the provisions thereof and of this Indenture.

**“Loan Closing”** means the date on which an executed Loan Agreement between the I-Bank and a Borrower is delivered pursuant to this Indenture.

**“Loan Repayments”** means the sum of (i) I-Bank Bond Loan Repayments, (ii) the Administrative Fee and (iii) any late charges incurred under the provisions of a Loan Agreement.

**“Long-Term Conditions Precedent”** means (i) the inclusion of a Project on the project eligibility list that has been submitted to the State Legislature pursuant to N.J.S.A. 58:11B-20 or N.J.S.A. 58:11B-20.1; (ii) the inclusion of such Project in an appropriations act of the State authorizing the expenditure of moneys to long-term finance a portion of the costs thereof; (iii) (a) the approval of the ECP Resolution, and the Exhibits attached thereto and made a part thereof, by the Governor of the State and the Treasurer of the State, pursuant to, and in satisfaction of, the provisions of N.J.S.A. 58:11B-4(j), and (b) the final adoption of the ECP Resolution by the Board; and (iv) the approval by the Treasurer of the State and certification by the Board of the I-Bank Loan (and the terms and conditions thereof) to be made by the I-Bank to the Borrower in connection with the Project, in each case, pursuant to and in satisfaction of the Act and all applicable law.

**“Master Program Trust Account”** means the account and all subaccounts therein created pursuant to Section 3 of the Master Program Trust Agreement to be held by the Master Program Trustee in trust as additional security for the Holders of the Series 20\_\_ Bonds and all other Coverage Receiving Trust Bonds as defined in the Master Program Trust Agreement.

**“Master Program Trust Agreement”** means that certain Master Program Trust Agreement, dated as of November 1, 1995, by and among the Trust, the State, United States Trust Company of New York, as Master Program Trustee thereunder, The Bank of New York (NJ), in several capacities thereunder, and First Fidelity Bank, N.A. (predecessor to U.S. Bank National Association), in several capacities thereunder, as amended and supplemented by (i) that certain Agreement of Resignation of Outgoing Master Program Trustee, Appointment of Successor Master Program Trustee and Acceptance Agreement, dated as of November 1, 2001, by and among United States Trust Company of New York, as Outgoing Master Program Trustee, Street Bank and Trust Company, N.A. (predecessor to U.S. Bank

Trust National Association), as Successor Master Program Trustee, and the I-Bank, and (ii) that certain First General Amendment to Master Program Trust Agreement, dated as of September 1, 2006, by and among, the I-Bank, the State, the Master Program Trustee, The Bank of New York, in several capacities thereunder, U.S. Bank National Association, in several capacities thereunder, and Commerce Bank, National Association, as Loan Servicer, as the same may be amended and supplemented from time to time in accordance with its terms.

**“Master Program Trustee”** means U.S. Bank Trust National Association (as successor to State Street Bank and Trust Company, N.A.), appointed pursuant to Section 2 of the Master Program Trust Agreement, and its successors as may be appointed pursuant to the provisions thereof.

**“Net Earnings”** means, with respect to any Fund, Account or Subaccount, or any portion thereof, all interest, profits and other income earned and received by the Trustee and the I-Bank, as appropriate, in respect of such Fund, Account, Subaccount or portion thereof, net of (i) any losses suffered, (ii) any fees due to the Trustee, the provider of an Investment Security, or, at the written direction of an Authorized Officer of the I-Bank, the financial advisor or investment advisor to the I-Bank in connection with an Investment Security held in such Fund, Account or Subaccount, and (iii) any amounts required to be set aside for rebate or to satisfy a yield restriction requirement to the Internal Revenue Service pursuant to any letter of instructions or certificate as to arbitrage.

**“Operating Expense Fund”** means the Fund so designated and established by Article V hereof.

**“Outstanding”** or **“outstanding”** means, when used with reference to Bonds of any Series, as of any particular date (subject to the provisions of Section 13.08), all Bonds of such Series theretofore, or thereupon being, authenticated and delivered by the Trustee pursuant to this Indenture, except (i) Bonds of such Series theretofore or thereupon canceled by the Trustee or surrendered to the Trustee for cancellation; (ii) Bonds of such Series with respect to which all liability of the I-Bank shall have been discharged in accordance with Article XII; and (iii) Bonds of such Series in lieu of or in substitution for which other Bonds of such Series shall have been authenticated and delivered by the Trustee pursuant to any provision of this Indenture.

**“Paying Agent”** means the Paying Agent appointed pursuant to Section 10.02, and its successors.

**“Pending Long-Term Conditions Precedent”** means the Long-Term Conditions Precedent identified in clauses (i), (ii), and (iv) of the definition of Long-Term Conditions Precedent.

**“Principal Account”** means the Account within the Debt Service Fund so designated and established by Article V.

**“Principal Office”** means, when used with reference to the I-Bank, the Trustee, or the Paying Agent, the respective addresses of such parties as set forth in Section 13.07, and any further or different addresses as such parties may designate pursuant to Section 13.07.

**“Project Fund”** means the Fund so designated and established by Article V hereof.

**“Project Loan Account”** means any of the Accounts within the Project Fund so designated and established by Article V.

**“Rating Agency”** shall mean individually or collectively, as the case may be, the nationally recognized rating agencies, if any, that have published ratings for the Series 20\_\_ Bonds or any Series of Refunding Bonds.



**“Rebate Fund”** means the Fund so designated and established by Article V hereof.

**“Record Date”** means, with respect to the Series 20\_\_ Bonds and any Series of Refunding Bonds, unless otherwise provided, as applicable, by this Indenture or the Applicable Supplemental Indenture authorizing such Series of Refunding Bonds, February 15 (whether or not such day shall be a Business Day) with respect to the March 1 Interest Payment Date, and August 15 (whether or not such day shall be a Business Day) with respect to the September 1 Interest Payment Date.

**“Redemption Account”** means the Account within the Debt Service Fund so designated and established pursuant to Article V hereof.

**“Redemption Price”** means, when used with reference to any Bond or any portion thereof, the principal amount of such Bond or such portion thereof and any premium thereon payable upon redemption thereof pursuant to the provisions of such Bond and this Indenture.

**“Refunding Bonds”** means all Bonds authenticated and delivered pursuant to Section 2.04 hereof.

**“Regulations”** means the rules and regulations, as applicable, now or hereafter promulgated under N.J.A.C. 7:22-3 *et seq.*, 7:22-4 *et seq.*, 7:22-5 *et seq.*, 7:22-6 *et seq.*, 7:22-7 *et seq.*, 7:22-8 *et seq.*, 7:22-9 *et seq.* and 7:22-10 *et seq.*, as the same may from time to time be amended and supplemented.

**“Revenues”** means all (i) Loan Repayments and State Loan Repayments that are held by the Trustee, (ii) payments made to the Trustee by the Master Program Trustee from amounts on deposit in the Master Program Trust Account (and all Subaccounts as defined therein) in accordance with the terms of the Master Program Trust Agreement, and (iii) proceeds derived from the foregoing, including, without limitation, investment income received by the I-Bank on such Loan Repayments and State Loan Repayments; provided, however, that Revenues shall not include payments of the Administrative Fee payable to the I-Bank under Section 3.03 of the Loan Agreements nor any State Administrative Fees included as part of any State Loan Repayment, to the extent any such amounts are credited as Administrative Fees or State Administrative Fees pursuant to Section 5.04(2) hereof.

**“Revenue Fund”** means the Fund so designated and established by Article V hereof.

**“Rule 15c2-12”** shall have the meaning ascribed to such term in Section 6.06 hereof.

**“SEC”** shall have the meaning ascribed to such term in Section 6.06 hereof.

**“Series”** means all of the Bonds authenticated and delivered on original issuance and identified pursuant to this Indenture or the Supplemental Indenture authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III or Sections 4.07 or 11.10, regardless of variations in maturity, interest rate, Sinking Fund Installments or other provisions.

**“Series 20\_\_ Bonds”** means the \$[\_\_\_\_\_] aggregate principal amount of the I-Bank’s “Environmental Infrastructure Bonds, Series 20\_\_ (Green Bonds)” authorized pursuant to Section 2.03 hereof.

**“Sinking Fund Installments”**, with respect to the Series 20\_\_ Bonds and any Series of Refunding Bonds, shall have the meaning, if any, specified, as applicable, in either Section 2.03(6) of this Indenture or the Applicable Supplemental Indenture relating to such Series of Refunding Bonds.

**“SRF”**, with respect to any Fund, Account or Subaccount established pursuant to this Indenture, means that such Fund, Account or Subaccount constitutes part of, and with respect to any Borrower, means a Borrower whose loan will be funded from, either, as applicable and as the case may be, (i) the State Revolving Fund of the State of New Jersey established pursuant to the federal Water Quality Act of 1987, as amended, and (ii) the State Revolving Fund of the State of New Jersey established pursuant to the federal Safe Drinking Water Act, as amended.

**“State”** means the State of New Jersey, acting by and through the Department.

**“State Administrative Fee”** means the administrative fee, if any, as the State may approve from time to time, payable by each Borrower in accordance with the terms of its State Loan Agreement.

**“State Loan Agreement”** means a loan agreement that is entered into by and between the State and a Borrower, pursuant to which a companion zero-interest loan is made by the State to finance, in part, such Borrower’s Project.

**“State Loan Repayment”** means any payment by a Borrower of the principal due and payable pursuant to its State Loan Agreement.

**“Subaccount”** means any subaccount designated and established hereunder.

**“Supplemental Indenture”** means any indenture or indentures of the I-Bank amending, modifying or supplementing this Indenture, authorizing the issuance of a Series of Refunding Bonds, or any other Supplemental Indenture adopted by the I-Bank pursuant to the provisions of this Bond Indenture.

**“Tax Certificate”**, with respect to the Series 20\_\_ Bonds, means the “Tax Certificate as to Arbitrage and Instructions as to Compliance with the Provisions of Section 103(a) of the Internal Revenue Code of 1986, as Amended,” executed and delivered by an Authorized Officer of the I-Bank on the date of issuance of the Series 20\_\_ Bonds, as the same may be supplemented and amended from time to time.

**“Tax-Exempt Bonds”** means any Bonds issued and Outstanding hereunder, including, without limitation, the Series 20\_\_ Bonds, the interest on which is excluded from gross income of the Holders thereof for federal income tax purposes pursuant to the Code.

**“Trustee”** means [\_\_\_\_\_], and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to this Indenture.

**“Trust Estate”** means the property conveyed to the Trustee pursuant to the Granting Clauses hereof.

**SECTION 1.02 Rules of Interpretation.** For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

1. **“This Indenture”** means this instrument as originally adopted and as it may be supplemented, modified or amended from time to time by any Supplemental Indenture, unless in the case of any one or more Supplemental Indentures the context requires otherwise.

2. All reference in this Indenture to designated “Articles”, “Sections” and other subdivisions are to the designated Articles, Sections and other subdivisions of this Indenture. The words “herein”,

“hereof”, “hereunder” and “herewith” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision hereof.

3. The terms defined in this Indenture include the plural as well as the singular.

4. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

5. The table of contents and the headings or captions used in this Indenture are for convenience of reference only and shall not define, limit or prescribe any of the provisions hereof or the scope or intent hereof.

### **SECTION 1.03 Indenture and Bonds Constitute a Contract.**

With respect to the Bonds, in consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued pursuant to this Indenture by those who shall hold the same from time to time, this Indenture shall be deemed to be and shall constitute a contract between the I-Bank, the Trustee and the Holders, from time to time, of such Bonds. The pledge made hereby is valid and binding from the time when the pledge is made and the Trust Estate shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the I-Bank irrespective of whether such parties have notice thereof. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or give or grant to, any person or entity, other than the I-Bank, the Trustee, the Paying Agent and the registered owners of the Bonds, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the I-Bank shall be for the sole and exclusive benefit of the I-Bank, the Trustee, the Paying Agent and the registered owners of the Bonds.

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## ARTICLE II

### AUTHORIZATION AND ISSUANCE OF BONDS

#### SECTION 2.01      **Authorization of Bonds; Designation of Bonds of Series.**

1. This Indenture authorizes the Series 20\_\_ Bonds and Refunding Bonds issued in connection therewith, in the form attached hereto as Exhibit A, to be designated as “Environmental Infrastructure Bonds” which may be issued from time to time in one or more Series. The aggregate principal amount of the Bonds that may be executed, authenticated and delivered pursuant to this Indenture is not limited except as may hereafter be provided in this Indenture or as may be limited by law, including, without limitation, the Act and the ECP Resolution.

2. The Bonds may, if and when authorized by the I-Bank pursuant hereto or pursuant to one or more Supplemental Indentures, be issued in one or more Series, and the designation thereof, in addition to the name “Environmental Infrastructure Bonds”, shall include such further, appropriate, particular designation added to, or incorporated in, such title for the Bonds of any particular Series as an Authorized Officer of the I-Bank may determine. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

3. Neither the State of New Jersey nor any political subdivision thereof, other than the I-Bank, but solely to the extent of the Trust Estate, is obligated to pay the principal or Redemption Price of, or interest on, the Bonds, and neither the faith and credit nor the taxing power of the State, or any political subdivision thereof, is pledged to the payment of the principal or Redemption Price of, or interest on, the Bonds.

#### SECTION 2.02      **General Provisions for Issuance of Bonds.**

1. All (but not less than all) of the Bonds of each Series shall be executed by an Authorized Officer of the I-Bank for issuance pursuant to this Indenture and delivered to the Trustee and thereupon shall be authenticated by the Trustee and by it delivered to the I-Bank or upon its order, but only upon the receipt by the Trustee of:

(a) A fully executed copy of this Indenture, certified by an Authorized Officer of the I-Bank;

(b) In the case of each Series of Refunding Bonds, a copy of the Supplemental Indenture authorizing such Refunding Bonds, certified by an Authorized Officer of the I-Bank, which shall, among other provisions, specify: (i) the authorized principal amount, designation and Series of such Refunding Bonds; (ii) the purposes for which such Series of Refunding Bonds is being issued, which shall be the refunding of Bonds as provided in Section 2.04 hereof; (iii) the date, and the maturity date or dates, of the Refunding Bonds of such Series, provided that each maturity date shall fall upon September 1; (iv) the interest rate or rates of the Refunding Bonds of such Series and the initial Interest Payment Date therefor, provided that the interest rate shall be identical for all such Refunding Bonds of like maturity; (v) the denominations of, and the manner of dating, numbering and lettering, the Refunding Bonds of such Series, provided that such Refunding Bonds shall be in denominations of \$5,000 or any integral multiple thereof as authorized by such Supplemental Indenture; (vi) the Paying Agent or Paying

Agents and the place or places of payment of the principal and Redemption Price, if any, of, and interest on, the Refunding Bonds of such Series; (vii) the Redemption Price or Prices, if any, and, subject to Article IV, the redemption terms for the Refunding Bonds of such Series; (viii) the amount and due date of each Sinking Fund Installment, if any, for Refunding Bonds of like maturity of such Series, provided that each Sinking Fund Installment due date shall fall upon a September 1; (ix) the form of the Refunding Bonds of such Series and of the Trustee's certificate of authentication, which shall be substantially in the form attached hereto as Exhibit A for the Series 20\_\_ Bonds with such variations, insertions or omissions as are appropriate and not inconsistent therewith; and (x) the provisions for the application of proceeds of such Series of Refunding Bonds;

(c) An opinion of Bond Counsel to the effect that (i) the I-Bank has the power under the Act, as amended to the date of such opinion, to enter into and deliver this Indenture, and this Indenture has been duly and lawfully entered into and delivered by the I-Bank, is in full force and effect and constitutes the valid and binding agreement of the I-Bank enforceable in accordance with its terms, and no other authorization for this Indenture is required; (ii) this Indenture creates the valid pledge that it purports to create of the Trust Estate, subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture; and (iii) the I-Bank is duly authorized and entitled to issue the Bonds of such Series and such Bonds have been duly and validly authorized and issued by the I-Bank, in accordance with law, including the Act, as amended to the date of such opinion, and in accordance with this Indenture, and constitute the valid and binding obligations of the I-Bank as provided in this Indenture, enforceable in accordance with their terms and the terms of this Indenture, and are entitled to the benefits of the Act, as amended to the date of such opinion, and this Indenture. Such opinion may take exception as to the effect of, or for restrictions or limitation or other similar laws, affecting creditors' rights generally and judicial discretion and the valid exercise of the sovereign police powers of the United States of America and may state that no opinion is being rendered as to the availability of any particular remedy;

(d) A written order of the I-Bank to the Trustee as to the authentication and delivery of such Bonds, signed by an Authorized Officer of the I-Bank;

(e) Reserved;

(f) A fully executed copy of the Master Program Trust Agreement; and

(g) Such further documents, moneys and securities (including, without limitation, the proceeds of the Bonds of each such Series) as are required by the provisions of Sections 2.03, 2.04 or 6.04 or Article XI hereof or any Supplemental Indenture entered into by the I-Bank pursuant to Article XI hereof.

2. All of the Bonds of each such Series shall be identical in all respects, except that each maturity of such Series shall differ from each other maturity of such Series as to denominations, numbers and letters, and as otherwise established by this Indenture (including with respect to interest rate). After the original issuance of Bonds of any Series, no Bonds of such Series shall be issued except in lieu of or in substitution for other Bonds of such Series pursuant to Article III or Sections 4.07 or 11.10 hereof.

### **SECTION 2.03 Series 20\_\_ Bonds.**

1. A Series of Bonds entitled to the benefit, protection and security of this Indenture is hereby authorized in the aggregate principal amount of \$[\_\_\_\_\_] for the purposes of (a) funding each Loan to be made pursuant to each Applicable Loan Agreement in connection with each Applicable Borrower's Project in furtherance of the Long-Term Conversion of certain Water Bank Construction

Loans (as such terms are defined in the ECP Resolution) and the payment of the aggregate principal of and accrued interest on the outstanding Series 2021A ECP Notes, and (b) paying costs of issuance relating to the Series 20\_\_ Bonds. Such Series of Bonds shall be designated as, and shall be distinguished from the Bonds of all other Series hereunder by the title, “Environmental Infrastructure Bonds, Series 20\_\_ (Green Bonds)”.

2. The Series 20\_\_ Bonds shall be dated and shall bear interest from \_\_\_\_\_, 20\_\_ until their final maturity thereof, except as otherwise provided in Section 3.01 of this Indenture. The Series 20\_\_ Bonds shall mature on the dates and in the principal amounts, and shall bear interest payable semiannually on March 1 and September 1 in each year, commencing [March][September] 1, 20\_\_, until final maturity (stated or otherwise) thereof, at the respective rates per annum calculated on the basis of twelve 30-day months, shown below:

[illegible]

3. Individual purchases of the Series 20\_\_ Bonds may be made in the principal amount of \$5,000 or any whole multiples of \$5,000. The Series 20\_\_ Bonds shall be initially issued in one certificate for each aggregate principal amount of the stated maturity thereof. Unless an Authorized Officer of the I-Bank shall otherwise direct, the Series 20\_\_ Bonds shall be lettered and numbered from one upward in order of maturities preceded by the letter “R” and such other letter and/or number, as determined by an Authorized Officer of the I-Bank, prefixed to the number. Subject to the provisions of this Indenture, the form of the Series 20\_\_ Bonds and the Trustee’s certificate of authentication shall be substantially in the form set forth in Exhibit A.

4. The principal or Redemption Price of the Series 20\_\_ Bonds shall be payable to the Holders thereof upon presentation and surrender thereof at the Principal Office of [\_\_\_\_], as Trustee, or its successors and assigns. Alternatively, the principal or Redemption Price of the Series 20\_\_ Bonds shall be payable to the Holders thereof at any alternative location that may be established for such payment as a result of the future appointment of a substitute Trustee or Trustees as permitted by this Indenture. Interest on the Series 20\_\_ Bonds shall be payable by check or draft of the Trustee, mailed or transmitted, respectively, to the Holders thereof as the same appear as of the Record Date on the books of the I-Bank maintained by the Trustee. Notwithstanding the

preceding provisions of this subparagraph 4, so long as the Series 20\_\_ Bonds are held in book-entry-only form pursuant to Section 2.05 hereof, the provisions of Section 2.05 hereof shall govern the payment of principal or Redemption Price, if any, of, and interest on, the Series 20\_\_ Bonds.

5. The Series 20\_\_ Bonds maturing on or before September 1, [20\_\_] shall not be subject to redemption prior to their respective stated maturity dates. The Series 20\_\_ Bonds maturing on or after September 1, [20\_\_] shall be subject to redemption prior to their respective stated maturity dates, on or after September 1, [20\_\_], at the option of the I-Bank, upon the terms set forth in this subsection and upon notice as provided in Article IV hereof, either in whole or in part, and if in part by lot within any maturity or maturities determined by the I-Bank, on any date, upon the payment of 100% of the principal amount thereof and accrued interest thereon to the date fixed for redemption.

6. [None of the Series 20\_\_ Bonds are subject to mandatory sinking fund redemption prior to their respective stated maturities.] [The Series 20\_\_ Bonds due September 1, 20[\_\_\_] and September 1, 20[\_\_\_] are subject to mandatory sinking fund redemption prior to their respective stated maturities, upon the surrender thereof and through selection by lot by the Trustee and upon the giving of notice as provided in Article IV hereof, by payment of the following "Sinking Fund Installments", on September 1, in each year set forth below, at a Redemption Price that is equal to 100% of the principal amount thereof plus interest accrued to the redemption date, in the following aggregate principal amounts in the following years:

<u>Year</u>	<u>Principal Amount</u>
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<u>Year</u>	<u>Principal Amount</u>
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\* Final maturity

7. The proceeds of the Series 20\_\_ Bonds of \$[\_\_\_\_\_] (par amount of the Series 20\_\_ Bonds of \$[\_\_\_\_\_] (which includes the good faith deposit of the successful bidder for the Series 20\_\_ Bonds in the amount of \$[\_\_\_\_\_] plus net original issue premium of \$[\_\_\_\_\_] less underwriter's discount of \$[\_\_\_\_\_] shall be received by the Trustee and applied simultaneously with the delivery of such Series 20\_\_ Bonds as follows:

(a) There shall be deposited (i) in the SRF Subaccount of the Capitalized Interest Account in the Debt Service Fund \$0.00, and (ii) in the non-SRF Subaccount of the Capitalized Interest Account in the Debt Service Fund \$0.00. No Borrowers are capitalizing interest; therefore, there shall be no deposit to the Capitalized Interest Account in the Debt Service Fund.

(b) There shall be deposited in the Costs of Issuance Account in the Operating Expense Fund an amount equal to \$[\_\_\_\_\_] of which \$[\_\_\_\_\_] shall be transferred by the Trustee immediately via wire transfer to the account of the I-Bank, in accordance with the wire instructions provided by the I-Bank to the Trustee, for application by the I-Bank to the payment of certain Costs of

Issuance incurred in connection with the issuance of the Series 20\_\_ Bonds; \$0.00 shall be deposited in the Administrative Fee Account of the Operating Expense Fund;

(c) There shall be deposited in the Rebate Fund an amount equal to \$0.00, which shall be deposited in the General Rebate Account;

(d) Reserved;

(e) There shall be deposited in the General Fund \$[\_\_\_\_], (i) \$[\_\_\_\_] of which shall be transferred to the SRF Account within the General Fund, \$[\_\_\_\_] of which shall be deposited in the Clean Water SRF Subaccount and \$[\_\_\_\_] of which shall be deposited in the Drinking Water SRF Subaccount; and (ii) \$[\_\_\_\_] of which shall be transferred to the non-SRF Account within the General Fund, \$[\_\_\_\_] of which shall be deposited in the Clean Water non-SRF Subaccount and \$[\_\_\_\_] of which shall be deposited in the Drinking Water non-SRF Subaccount;

(f) The remaining balance of the proceeds of the Series 20\_\_ Bonds, in the amount of \$[\_\_\_\_], shall be deposited in the Project Fund on behalf of each Borrower, such aggregate amount to be allocated among each of the Borrowers in each of the individual respective amounts and via each of the individual respective Project Loan Accounts as is indicated below, which individual Project Loan Accounts are aggregated and designated, as appropriate, as (i) the Clean Water SRF Project Loan Accounts, (ii) the Drinking Water SRF Project Loan Accounts, (iii) the Clean Water non-SRF Project Loan Accounts and (iv) the Drinking Water non-SRF Project Loan Accounts. Within the Project Fund, an aggregate of \$[\_\_\_\_] shall be allocated to the Clean Water SRF Project Loan Accounts; an aggregate of \$[\_\_\_\_] shall be allocated to the Drinking Water SRF Project Loan Accounts; an aggregate of \$[\_\_\_\_] shall be allocated to the Clean Water non-SRF Project Loan Accounts; and an aggregate of \$[\_\_\_\_] shall be allocated to the Drinking Water non-SRF Project Loan Accounts.

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**Clean Water SRF Project Loan Accounts:**

**Total:** \$[\_\_\_\_\_]

**Drinking Water SRF Project Loan Accounts:**

**Total:** \$[\_\_\_\_\_]

**SRF Project Loan Accounts Total:**

**Clean Water SRF Subaccounts:** \$[\_\_\_\_\_]

**Drinking Water SRF Subaccounts:** [\_\_\_\_\_]

**SRF Account Total:** \$[\_\_\_\_\_]

**Clean Water Non-SRF Project Loan Accounts:**

\$[\_\_\_\_\_]

**Drinking Water Non-SRF Project Loan Accounts:****Total:** \$[\_\_\_\_\_]**Non-SRF Project Loan Accounts Total:****Clean Water Non-SRF Subaccounts:** \$[\_\_\_\_\_]**Drinking Water Non-SRF Subaccounts:** [\_\_\_\_\_]**Non-SRF Account Total:** \$[\_\_\_\_\_]

(g) Promptly following the delivery to the Trustee of the proceeds of the Series 20\_\_ Bonds and the deposit thereof by the Trustee as instructed pursuant to the provisions of Section 2.03(7)(a) through (f) hereof, the Chairperson, the Executive Director or another Authorized Officer of the I-Bank shall provide to the Trustee a Certificate that shall set forth directions to the Trustee as to the initial disbursement of certain of the proceeds of the Series 20\_\_ Bonds from the various Funds, Accounts and Subaccounts into which such proceeds have been deposited pursuant to the provisions of Section 2.03(7)(a) through (f) hereof.

8. Reserved.

9. Concurrently with the authentication and delivery of the Series 20\_\_ Bonds, the I-Bank shall furnish to the Trustee:

(a) a Certificate of the Chairperson, the Executive Director or another Authorized Officer of the I-Bank, pursuant to Section 148 of the Code, setting forth the expectations of the I-Bank on the date of such authentication and delivery as to future events, and such Certificate shall set forth the

facts and estimates on which such expectations are based and shall state that to the best of the knowledge and belief of such officer of the I-Bank, the I-Bank's expectations are reasonable;

(b) an opinion of Bond Counsel to the effect that under existing law (i) interest on the Series 20\_\_ Bonds is excluded from gross income for federal income tax purposes, and (ii) interest on the Series 20\_\_ Bonds and any gain on the sale thereof are excluded from gross income under the New Jersey Gross Income Tax Act; and

(c) an opinion of Counsel to the effect that the I-Bank has the right and power under the Act, as amended to the date of such opinion, to enter into the Loan Agreements, and the Loan Agreements have been duly and lawfully authorized and executed by the I-Bank, are in full force and effect and are valid and binding upon the I-Bank and enforceable in accordance with their terms, and no other authorization for the Loan Agreements is required; provided, that the opinion may take exception as to the effect of, or for restrictions or limitations imposed by or resulting from, bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights generally and judicial discretion and the valid exercise of the sovereign police powers of the State of New Jersey and of the constitutional powers of the United States of America and may state that no opinion is being rendered as to the availability of any particular remedy, but that such limitations do not make the rights and remedies of the Bondholders, taken as a whole, inadequate for the practical realization of the benefits of the Loan Agreements.

(d) a Certificate of the Chairman, Executive Director or other Authorized Officer of the I-Bank (i) certifying that (1) the Completed Long-Term Conditions Precedent and the Pending Long-Term Conditions Precedent have been satisfied and (2) the aggregate principal amount of the Series 20\_\_ Bonds does not exceed the Expedited I-Bank Bonds Aggregate Principal Amount Cap and (ii) setting forth the Expedited I-Bank Bonds Condition to Issuance that has been satisfied in connection with the issuance of the Series 20\_\_ Bonds.

#### **SECTION 2.04 Refunding Bonds.**

1. One or more Series of Refunding Bonds may be issued at any time to refund any Outstanding Bond or Bonds of a particular Series or all of the Bonds of one or more Series. Refunding Bonds shall be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make the deposits in the funds and accounts pursuant to this Indenture required by the provisions of the Supplemental Indenture authorizing such Bonds. Refunding Bonds shall be on a parity with and, except as otherwise provided in the Applicable Supplemental Indenture for such Refunding Bonds, shall be entitled to the same benefit and security of this Indenture including, without limitation, the pledge of the Trust Estate as the Bonds of the Series of Bonds which are being refunded.

2. Refunding Bonds of each Series shall be authenticated and delivered by the Trustee only upon receipt by the Trustee (in addition to the documents required by Section 2.02) of:

(a) Instructions from the I-Bank to the Trustee, satisfactory to it, to give due notice of redemption, if applicable, of all the Bonds to be refunded on a redemption date or dates specified in such instructions, subject to the provisions of Section 12.01;

(b) If the Bonds to be refunded are not by their terms subject to redemption within the next succeeding sixty (60) days, instructions from the I-Bank to the Trustee, satisfactory to it, to mail the notice provided for in Section 12.01 to the Holders of the Bonds being refunded;

(c) Either (i) moneys in an amount sufficient to effect payment at the applicable Redemption Price of the Bonds to be refunded together with accrued interest on such Bonds to the redemption date or dates, which moneys shall be held by the Trustee or any one or more of the Paying Agents in a separate account irrevocably in trust for and assigned to the respective Holders of the Bonds to be refunded, or (ii) qualifying Investment Securities in such principal amounts of such maturities, bearing such interest and otherwise having such terms and qualifications and any moneys as shall be necessary to comply with the provisions of subsection 2 of Section 12.01, which Investment Securities and moneys shall be held in trust and used only as provided in said subsection 2 of Section 12.01;

(d) A Certificate of an Authorized Officer of the I-Bank demonstrating that the I-Bank Bond Loan Repayments to become due in each Bond Year during which such Refunding Bonds shall be Outstanding shall be sufficient to pay, when due, the principal or Redemption Price of, and interest on, all Bonds Outstanding upon the authentication and delivery of such Series of Refunding Bonds;

(e) A verification report of an independent nationally recognized certified public accountant addressed to the I-Bank and the Trustee with respect to the matters set forth in (c) and (d) hereof; and

(f) In the event that a forward supply contract is employed in connection with the matters set forth in (c) and (d) hereof, (i) the verification report required by (e) hereof shall expressly state that the adequacy of the irrevocable trust described in (c) hereof to accomplish the issuance of Refunding Bonds relies solely on the initial investments and the maturing principal thereof and interest income thereon and does not assume performance under or compliance with the forward supply contract, and (ii) the escrow agreement entered into by the I-Bank pursuant to (c) hereof shall provide that, in the event of any discrepancy or differences between the terms of the forward supply contract and the escrow agreement, the terms of the escrow agreement shall be controlling.

3. The proceeds, including accrued interest, if any, of the Refunding Bonds of each Series shall be applied simultaneously with the delivery of such Refunding Bonds for the purposes of making deposits, if any, in such Funds and Accounts as shall be provided by the terms of the Supplemental Indenture authorizing such Series of Refunding Bonds and shall be applied to the refunding purposes thereof in the manner provided in said Supplemental Indenture.

## **SECTION 2.05 Book-Entry-Only System.**

1. Except as provided in subparagraph 3 of this Section 2.05, the registered Holder of all of the Series 20\_\_ Bonds shall be, and the Series 20\_\_ Bonds shall be registered in the name of, Cede & Co., as nominee of DTC. Payment of semiannual interest for any Series 20\_\_ Bond shall be made by wire transfer to the account of Cede & Co. on the Interest Payment Date for the Series 20\_\_ Bonds at the address indicated for Cede & Co. in the registry books of the I-Bank kept by the Trustee.

2. The Series 20\_\_ Bonds shall be issued initially in the form of a separate, single, fully registered Bond in the amount of the aggregate principal amount of each separate stated maturity of the Series 20\_\_ Bonds. Upon initial issuance, the ownership of each such Series 20\_\_ Bond shall be registered in the registry books of the I-Bank kept by the Trustee, in the name of Cede & Co., as nominee of DTC. With respect to Series 20\_\_ Bonds registered in the registry books of the I-Bank, kept by the Trustee, in the name of Cede & Co., as nominee of DTC, the I-Bank and any Fiduciary shall have no responsibility or obligation to any participant or to any beneficial owner of such Series 20\_\_ Bonds. Without limiting the immediately preceding sentence, the I-Bank and any Fiduciary shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any

participant with respect to any beneficial ownership interest in the Series 20\_\_ Bonds, (ii) the delivery to any participant, any beneficial owner or any other person, other than DTC, of any notice with respect to the Series 20\_\_ Bonds, including, without limitation, any notice of redemption, or (iii) the payment to any participant, any beneficial owner or any other person, other than DTC, of any amount with respect to the principal or Redemption Price of, or interest on, the Series 20\_\_ Bonds. The I-Bank and any Fiduciary may treat DTC as, and deem DTC to be, the absolute owner of each Series 20\_\_ Bond for the purpose of payment of the principal or Redemption Price of, and interest on, each such Series 20\_\_ Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 20\_\_ Bonds, for the purpose of registering transfers with respect to such Series 20\_\_ Bonds and for all other purposes whatsoever. The Paying Agent shall pay all principal or Redemption Price of, and interest on, the Series 20\_\_ Bonds only to, or upon the order of, DTC, and all such payments shall be valid and effective to fully satisfy and discharge the I-Bank's obligations with respect to the principal or Redemption Price of, and interest on, the Series 20\_\_ Bonds to the extent of the sum or sums so paid. No person, other than DTC, shall receive a Series 20\_\_ Bond evidencing the obligation of the I-Bank to make payments of principal or Redemption Price of, and interest on, the Series 20\_\_ Bonds pursuant to this Indenture. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the transfer provisions hereof, the term "Cede & Co." as set forth in this Indenture shall be deemed to refer to such new nominee of DTC.

3. (a) DTC may determine to discontinue providing its services with respect to the Series 20\_\_ Bonds at any time by giving written notice to the I-Bank and the Fiduciaries and discharging its responsibilities with respect thereto, as provided in and by (i) the representation letter of the I-Bank and the Trustee addressed to DTC with respect to the Series 20\_\_ Bonds and (ii) applicable statutory or regulatory requirements as may be in effect from time to time.

(b) The I-Bank, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Series 20\_\_ Bonds if the I-Bank so determines, and shall terminate the services of DTC with respect to the Series 20\_\_ Bonds upon receipt by the I-Bank and the Fiduciaries of written notice from DTC to the effect that DTC has received written notice from participants having interests, as shown in the records of DTC, in an aggregate principal amount of not less than fifty percent (50%) of the aggregate principal amount of the then Outstanding Series 20\_\_ Bonds to the effect that: (i) DTC is unable to discharge its responsibilities with respect to the Series 20\_\_ Bonds; or (ii) a continuation of the requirement that all of the Outstanding Series 20\_\_ Bonds be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC, is not in the best interest of the beneficial owners of the Series 20\_\_ Bonds.

(c) Upon the termination of the services of DTC with respect to the Series 20\_\_ Bonds pursuant to subsection 2.05(3)(b)(ii) hereof, or upon the discontinuance or termination of the services of DTC with respect to the Series 20\_\_ Bonds pursuant to subsection 2.05(3)(a) or subsection 2.05(3)(b)(i) hereof after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found that, in the sole discretion and opinion of the I-Bank, is willing and able to undertake such functions upon reasonable and customary terms, the Series 20\_\_ Bonds shall no longer be restricted to being registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names Bondholders transferring or exchanging Series 20\_\_ Bonds shall designate, in accordance with the provisions of Article II hereof.

4. Notwithstanding any other provision of this Indenture to the contrary, so long as any Series 20\_\_ Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal or Redemption Price of, and interest on, such Series 20\_\_ Bond and all notices with respect to such Series 20\_\_ Bond shall be made and given, respectively, to DTC as provided in and by (i)

the representation letter of the I-Bank and the Trustee addressed to DTC with respect to the Series 20\_\_ Bonds, and (ii) applicable statutory or regulatory requirements as may be in effect from time to time.

5. In connection with any notice or other communication to be provided to Bondholders pursuant to this Indenture by the I-Bank or the Trustee with respect to any consent or other action to be taken by Bondholders, the I-Bank or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible.

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## ARTICLE III

### GENERAL TERMS AND PROVISIONS OF BONDS

#### **SECTION 3.01 Medium of Payment; Form and Date; Letters and Numbers.**

1. The Bonds of any Series shall be payable, with respect to interest and principal or Redemption Price, in any coin or currency of the United States of America that at the time of payment is legal tender for the payment of public and private debts.

2. The Bonds of each Series shall be issued only in the form of fully registered Bonds without coupons in denominations of, subject to the denominations required by Section 2.03(3) and 2.05(2) hereof with regard to the initial denominations of the Series 20\_\_ Bonds, \$5,000 or any whole multiple thereof. The Bonds of each Series shall be in substantially the form attached hereto as Exhibit A or substantially in the form set forth in the Supplemental Indenture authorizing such Series.

3. Each Bond of a Series shall be lettered and numbered as provided in this Indenture or the Supplemental Indenture providing for the issuance of the Series of which such Bond is a part and so as to be distinguished from every other Bond of such Series.

Bonds of each Series issued on the date of original issuance shall be dated and bear interest from the date set forth in this Indenture or the Supplemental Indenture authorizing such Series of Bonds. Bonds of each Series issued after the date of original issuance shall be dated as of the date of authentication thereof by the Trustee. Interest on each Bond shall be payable from the most recent Interest Payment Date next preceding the date of authentication of such Bond to which interest has been paid, unless (i) the date of authentication of such Bond is an Interest Payment Date to which interest has been paid, in which case interest shall be payable from such Interest Payment Date, or (ii) the date of such Bond is prior to the first Interest Payment Date on the Bonds, in which case interest shall be payable from the earliest date on which interest shall have accrued on the Bonds, or (iii) the date of such Bond is between the Record Date and the next succeeding Interest Payment Date, in which case interest shall be payable from such Interest Payment Date.

4. The interest on, and principal or Redemption Price, if any, of, each Series of Bonds shall be payable as provided in this Indenture or the Supplemental Indenture relating to such Series of Bonds.

**SECTION 3.02 Legends.** The Bonds of each Series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Indenture as may be necessary or desirable to comply with custom, the rules of any securities exchange or commission or brokerage board, the Act, or otherwise, as may be determined by an Authorized Officer of the I-Bank prior to the authentication and delivery thereof.

#### **SECTION 3.03 Execution and Authentication.**

1. The Bonds shall be executed in the name of the I-Bank by the manual or facsimile signature of the Chairperson or other Authorized Officer of the I-Bank, and its corporate seal (or a facsimile thereof) shall be impressed, imprinted, engraved or otherwise reproduced thereon and attested by the manual or facsimile signature of the Secretary or Assistant Secretary or other Authorized Officer of the I-Bank, or in such other manner as may be required or permitted by law. In case any one or more of

the Authorized Officers of the I-Bank who shall have signed or sealed any of the Bonds shall cease to be such officer before the Bonds so signed and sealed shall have been authenticated and delivered by the Trustee, such Bonds may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the persons who signed or sealed such Bonds had not ceased to hold such offices. Any Bond of a Series may be signed and sealed on behalf of the I-Bank by such persons who at the time of the execution of such Bonds shall be duly authorized or shall hold the proper office in the I-Bank, although at the date borne by the Bonds of such Series such persons may not have been so authorized or have held such office.

2. The Bonds of each Series shall bear thereon a certificate of authentication, in the form set forth in this Indenture or in the Supplemental Indenture authorizing such Series of Bonds, executed manually by the Trustee. Only such Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit pursuant to this Indenture, and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the Trustee upon any Bond executed on behalf of the I-Bank shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered pursuant to this Indenture and that the Holder thereof is entitled to the benefits of this Indenture.

#### **SECTION 3.04 Transfer and Registry.**

1. Each Bond shall be transferable only upon the books of the I-Bank, which shall be kept for that purpose at the Principal Office of the Trustee, by the Holder thereof in person or by his or her attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee and duly executed by the Holder or his or her duly authorized attorney. Upon the transfer of any such Bond, the I-Bank shall issue in the name of the transferee a new Bond or Bonds of the same aggregate principal amount and Series and maturity as the surrendered Bond.

2. The I-Bank and each Fiduciary may deem and treat the person in whose name any Bond shall be registered upon the books of the I-Bank as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of and interest on, such Bond and for all other purposes, and all such payments so made to any such Holder or upon his or her order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the I-Bank nor any Fiduciary shall be affected by any notice to the contrary. The I-Bank agrees to indemnify and save each Fiduciary harmless from and against any and all loss, cost, charge, expense (including legal fees), judgment or liability incurred by it, acting in good faith and without negligence pursuant to this Indenture, in so treating such Holder, and that such indemnity shall survive the payment of the Bonds and the discharge of this Indenture.

#### **SECTION 3.05 Regulations With Respect to Exchanges and Transfers.**

In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the I-Bank shall execute, and the Trustee shall authenticate and deliver, Bonds in accordance with the provisions of this Indenture. All Bonds surrendered in any such exchange or transfer shall forthwith be canceled by the Trustee. For every such exchange or transfer of Bonds, whether temporary or definitive, the I-Bank or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Neither the I-Bank nor the Trustee shall be required (a) to transfer or exchange Bonds for a period beginning on the Record Date preceding an Interest Payment Date for the Bonds and ending on such Interest Payment Date, or for a period of fifteen (15) days (or such lesser period as may be specified in a Supplemental Indenture for a particular Series of Bonds) preceding the date (as determined by the Trustee) of any selection of Bonds to



be redeemed or thereafter until after the mailing of any notice of redemption; or (b) to transfer or exchange any Bonds called or tendered for redemption.

### **SECTION 3.06 Bonds Mutilated, Destroyed, Stolen or Lost.**

In the event that any Bond shall become mutilated or be destroyed, stolen or lost, the I-Bank shall execute, and thereupon the Trustee shall authenticate and deliver, a new Bond of like Series, maturity and principal amount as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, upon filing with the Trustee evidence satisfactory to the I-Bank and the Trustee that such Bond has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the I-Bank and the Trustee with indemnity satisfactory to them and complying with such other reasonable regulations as the I-Bank and the Trustee may prescribe and paying such expenses as the I-Bank and Trustee may incur. All mutilated Bonds so surrendered to the Trustee shall be canceled by it. Any such new Bonds issued pursuant to this Section in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the I-Bank, whether or not the Bonds so alleged to be destroyed, stolen or lost be at any time enforceable by anyone, and shall be equally secured by, and entitled to equal and proportionate benefits with all other Bonds issued pursuant to this Indenture in, any moneys or securities held by the I-Bank or any Fiduciary for the benefit of the Bondholders.

### **SECTION 3.07 Temporary Bonds.**

1. Until the definitive Bonds of any Series are prepared, the I-Bank may execute, in the same manner as is provided in Section 3.03, and upon the request of the I-Bank, the Trustee shall authenticate and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, one or more temporary Bonds substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The I-Bank at its own expense shall prepare and execute and, upon the surrender of such temporary Bonds for exchange and the cancellation of such surrendered temporary Bonds, the Trustee shall authenticate and, without charge to the Holder thereof, deliver in exchange therefor, definitive Bonds of the same aggregate principal amount and Series and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds authenticated and issued pursuant to this Indenture.

2. All temporary Bonds surrendered in exchange either for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be forthwith canceled by the Trustee.

### **SECTION 3.08 Cancellation and Destruction of Bonds.**

All Bonds paid or redeemed, either at or before maturity, shall be delivered to the Trustee when such payment or redemption is made, and such Bonds, together with all Bonds purchased by the Trustee, shall thereupon be promptly canceled. Bonds so canceled may at any time be destroyed by the Trustee, who shall execute a Certificate of destruction in duplicate by the signature of one of its Authorized Officers describing the Bonds so destroyed, and one executed Certificate shall be filed with the I-Bank and the other executed Certificate shall be retained by the Trustee.

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## ARTICLE IV

### REDEMPTION OF BONDS PRIOR TO MATURITY

#### SECTION 4.01     **Privilege of Redemption and Redemption Price.**

Bonds subject to redemption prior to maturity pursuant to this Indenture shall be redeemable, upon notice as provided in this Article IV, at such times, at such Redemption Prices and upon such terms in addition to the terms contained in this Article IV as may be specified in this Indenture and the Supplemental Indenture authorizing such Series of Bonds. In order to redeem Bonds prior to maturity, the Redemption Price plus accrued interest thereon shall be deposited with the Trustee in immediately available funds not later than 11:00 a.m., New York City time, on the redemption date.

#### SECTION 4.02     **Optional and Mandatory Sinking Fund Redemption.**

1.     The Series 20\_\_ Bonds shall be subject to optional redemption and mandatory sinking fund redemption in accordance with the provisions of this Indenture, including, without limitation, Sections 2.03(5) and (6), respectively, hereof.

2.     In the case of any redemption of Bonds at the election or direction of the I-Bank, the I-Bank shall give written notice to the Trustee of its election or direction to so redeem, of the redemption date, and of the principal amounts of the Bonds of each maturity to be redeemed (which maturities and principal amounts thereof to be redeemed shall be determined by the I-Bank in its sole discretion, subject to any limitations with respect thereto contained in this Indenture). Such notice shall be given at least thirty-five (35) days prior to the redemption date or such shorter period as shall be agreed to in writing by the Trustee. In the event notice of redemption shall have been given as provided in Section 4.05, the I-Bank shall pay or require the Applicable Borrower to pay to the Trustee on or prior to the redemption date an amount in cash which, in addition to other moneys, if any, available therefor and held by the Trustee, will be sufficient to redeem on the redemption date at the Redemption Price thereof, plus interest accrued and unpaid to the redemption date, all of the Bonds to be redeemed.

#### SECTION 4.03     **Redemption Otherwise than at I-Bank's Election or Direction.**

Whenever by the terms of this Indenture the Trustee is required or authorized to redeem Bonds otherwise than at the election or direction of the I-Bank, the Trustee shall select the Bonds to be redeemed, give the notice of redemption as provided in Section 4.05 and pay out of moneys available therefor the Redemption Price thereof, plus interest accrued and unpaid to the redemption date, to the Paying Agent in accordance with the terms of this Article IV and, to the extent applicable, Article V hereof.

#### SECTION 4.04     **Selection of Bonds to Be Redeemed.**

If less than all of the Bonds of a Series of like maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected at random by the Trustee in such manner as the Trustee shall determine; provided, however, that the portion of any Bond of a denomination of more than \$5,000 to be redeemed shall be in the principal amount of \$5,000 or an integral multiple thereof, and that, in selecting Bonds for redemption, the Trustee shall treat each Bond as representing that number of Bonds that is obtained by dividing the principal amount of such Bond by the

minimum denomination in which Bonds of such Series are authorized to be outstanding after the redemption date.

#### **SECTION 4.05 Notice of Redemption.**

When Bonds of a Series have been selected for redemption pursuant to any provision of this Indenture, the Trustee shall give written notice of the redemption of such Bonds in the name of the I-Bank at the times specified in the second paragraph of this Section, which notice shall set forth: (i) the Series of the Bonds to be redeemed, (ii) the date fixed for redemption, (iii) the Redemption Price to be paid, (iv) that such Bonds will be redeemed at the Principal Office of the Paying Agent, (v) if less than all of such Bonds shall be called for redemption, the distinctive numbers and letters, if any, of such Bonds to be redeemed, (vi) in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed, and (vii) except with respect to a mandatory sinking fund redemption, that such redemption is conditioned upon there being on deposit with the Trustee on the date designated for redemption moneys sufficient for the payment of the Redemption Price and the accrued interest to the redemption date. Such notice shall further state that on the redemption date there shall become due and payable the Redemption Price of all Bonds to be redeemed, together with interest accrued to the redemption date, and that, from and after such date, interest thereon shall cease to accrue. In the event that any Bond of a Series is to be redeemed in part only, the notice of redemption that relates to such Bond to be redeemed shall state also that on or after the redemption date, upon surrender of such Bond, the Holder of the unredeemed portion of such Bond shall be entitled to a new Bond or Bonds of the same Series, bearing interest at the same rate and in aggregate principal amount equal to the unredeemed portion of such Bond.

The notice required to be given by the Trustee pursuant to this Section shall be sent by first class mail to the registered owners of the Bonds to be redeemed, at their addresses as they appear on the Bond registration books of the I-Bank, not less than thirty (30) nor more than forty-five (45) days prior to the redemption date. The failure to give notice of the redemption of any Bond or portion thereof to the registered owner of such Bond as herein provided shall not affect the validity of the proceedings for the redemption of any Bonds for which notice of redemption has been given in accordance with the provisions of this Section.

#### **SECTION 4.06 Payment of Redeemed Bonds.**

On the date designated for redemption, notice having been given in the manner and under the conditions hereinabove provided, the Bonds or portions of Bonds called for redemption shall become and be due and payable at the Redemption Price provided for redemption of such Bonds or such portions thereof on such date and, if upon presentation and surrender moneys for the payment of the Redemption Price and the accrued interest to the redemption date are held in a separate account by the Trustee in trust for the holders of such Bonds, interest on such Bonds or such portions thereof so called for redemption shall cease to accrue, such Bonds or such portions thereof shall cease to be entitled to any benefit or security pursuant to this Indenture and the Holders of such Bonds or portions of Bonds shall have no rights in respect thereof except to receive payment of the Redemption Price thereof and the accrued interest thereon and, to the extent provided in Section 4.07 hereof, to receive Bonds for any unredeemed portions of Bonds.

#### **SECTION 4.07 Redemption of Portions of Bonds.**

In case part but not all of an Outstanding Bond shall be selected for redemption, upon presentation and surrender of such Bond to the Paying Agent for payment of the principal amount thereof so called for redemption and accrued interest thereon on or after the redemption date, the I-Bank shall

execute and the Trustee shall authenticate and deliver to or upon the order of the registered owner thereof or his attorney or legal representative, without charge therefor, a Bond or Bonds of the same Series bearing interest at the same rate and of any denomination or denominations authorized by this Indenture in aggregate principal amount equal to the unredeemed portion of such Bond.

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## ARTICLE V

### REVENUES AND FUNDS

**SECTION 5.01 Creation of Funds and Accounts.** The following Funds, separate Accounts within Funds and separate Subaccounts within Accounts shall be established, held and maintained for the Bonds:

1. A Debt Service Fund, to be held by the Trustee, which shall consist of an Interest Account, a Capitalized Interest Account, a Principal Account and a Redemption Account, each of which Accounts shall be further subdivided into an SRF Subaccount and a non-SRF Subaccount, each of which Subaccounts shall be further subdivided into a Clean Water Subaccount and a Drinking Water Subaccount;

2. Reserved;

3. A General Fund, to be held by the Trustee, which shall consist of an SRF Account and a non-SRF Account to the extent necessary and/or appropriate, each of which Accounts shall be subdivided into a Clean Water Subaccount and a Drinking Water Subaccount to the extent necessary and/or appropriate;

4. An Operating Expense Fund, to be held by the I-Bank, which shall consist of an Administrative Fee Account and a Costs of Issuance Account;

5. A Project Fund, to be held by the Trustee, which shall consist of a separate Project Loan Account established (i) for each Borrower to which a single Loan is to be made from a portion of the proceeds of the Series 20\_\_ Bonds and, if applicable, (ii) for each Loan with respect to any Borrowers that have received two or more Loans from a portion of the proceeds of the Series 20\_\_ Bonds, each of which Project Loan Accounts shall be designated as either a "Clean Water SRF Project Loan Account", a "Drinking Water SRF Project Loan Account", a "Clean Water non-SRF Project Loan Account" or a "Drinking Water non-SRF Project Loan Account", all pursuant to Section 5.02 hereof; provided, however, that, to the extent a single Loan is made by the I-Bank to finance multiple projects, the Trustee shall, upon the direction of an Authorized Officer of the I-Bank, establish Subaccounts within a particular Project Loan Account with respect to each individual project;

6. A Revenue Fund, to be held by the Trustee, which shall consist of (i) an I-Bank Bond Loan Repayments Account, consisting of an SRF Subaccount and a non-SRF Subaccount to the extent necessary and/or appropriate, each of which Subaccounts further shall be subdivided into a Clean Water Subaccount and a Drinking Water Subaccount to the extent necessary and/or appropriate; and (ii) a State Loan Repayments Account, consisting of an SRF Subaccount and a non-SRF Subaccount to the extent necessary and/or appropriate, each of which Subaccounts further shall be subdivided into a Clean Water Subaccount and a Drinking Water Subaccount to the extent necessary and/or appropriate; and

7. A Rebate Fund, to be held by the Trustee, which shall consist of a General Rebate Account.

8. Pursuant to a Certificate of an Authorized Officer of the I-Bank, the I-Bank may direct the Trustee to establish additional Funds, Accounts within Funds, and Subaccounts within Accounts, in the manner set forth in such Certificate.

Each of the Funds, Accounts and Subaccounts created by this Indenture, other than the Operating Expense Fund, the Project Fund and the Rebate Fund (including all Accounts and Subaccounts therein), is hereby pledged to, and charged with, the payment of the principal or Redemption Price of and interest on the Bonds as the same shall become due.

## **SECTION 5.02 Project Fund.**

1. There shall be established within the Project Fund a separate Project Loan Account in favor of each Borrower to which a Loan is to be made pursuant to a Loan Agreement.

2. There shall be deposited into each Project Loan Account from the proceeds of the Series 20\_\_ Bonds the respective amounts set forth in the Certificate of an Authorized Officer of the I-Bank delivered to the Trustee pursuant to Section 2.03(7)(f) hereof, which Certificate shall also designate each such Project Loan Account as either a "Clean Water SRF Project Loan Account", a "Drinking Water SRF Project Loan Account", a "Clean Water non-SRF Project Loan Account" or a "Drinking Water non-SRF Project Loan Account".

3. The Trustee shall make payments from a Project Loan Account for Costs of a Borrower's Project in the amounts, at the times, in the manner and on the other terms and conditions set forth in this Section 5.02 and in such Borrower's Loan Agreement. Before any such payment shall be made, the Borrower shall file with the Trustee its requisition therefor, approved by the I-Bank, which requisition shall be on a form as determined from time to time by the Executive Director or other Authorized Officer of the I-Bank. The Trustee shall issue its check for each payment required by such requisition or shall, by interbank transfer or other method of transfer, arrange to make the payment required by such requisition. No disbursement from the respective Project Loan Account shall be made by the Trustee pursuant to the terms hereof unless the Borrower has complied with each provision of Section 3.02 of the respective Loan Agreement, as evidenced by the approval by the I-Bank of the requisition as referenced herein.

4. The I-Bank shall file with the Trustee a Certificate, signed by an Authorized Officer of the I-Bank, with respect to each Project Loan Account directing the Trustee to transfer to the Debt Service Fund (and the appropriate Account and Subaccount therein), to be applied as a credit against and considered as I-Bank Bond Loan Repayments due from the respective Borrower in whose favor any such Project Loan Account was established, all of the moneys remaining in any such Project Loan Account at the following times and upon satisfaction of the following conditions: (A) the I-Bank has approved all requisitions to be paid from any such Project Loan Account that are eligible to be approved under the Regulations; or (B) the occurrence of the Project Loan Account Disbursement Deadline, as such term is defined in the Applicable Borrower's respective Loan Agreement; provided, however, notwithstanding the provisions hereof to the contrary, the I-Bank shall implement a redemption of Bonds pursuant to the terms of this Indenture to the extent provided by the terms of Section 3.03A of the Applicable Borrower's respective Loan Agreement. Such Certificate shall (X) state that, as applicable, the proceeds of the Loan have been fully disbursed to the extent allowed by the Regulations, or the Project Loan Account Disbursement Deadline has occurred, and either (Y) set forth a schedule indicating when and how much of the remaining moneys are to be transferred to the Debt Service Fund (and the appropriate Account and Subaccount therein) and applied as a credit against and considered as I-Bank Bond Loan Repayments due from the respective Borrower in whose favor the Project Loan Account was established, or (Z) state that such moneys remaining in such Project Loan Account shall be allocated to the implementation of a redemption of Bonds pursuant to the terms of this Indenture to the extent provided by the terms of Section 3.03A of the Applicable Borrower's respective Loan Agreement. The Trustee shall transfer from any such Project Loan Account to the appropriate Account within the Debt Service Fund (as determined by the application of clause (X) and clause (Y) or clause (Z), above) and within such Account either the SRF Subaccount or the non-SRF Subaccount, and within such Subaccounts, either the Clean Water

Subaccount or the Drinking Water Subaccount, as applicable, the amounts identified in any such Certificate of the I-Bank at the times indicated therein.

### **SECTION 5.03 Operating Expense Fund.**

1. There shall be established within the Operating Expense Fund a Costs of Issuance Account and an Administrative Fee Account.

2. In addition to the amounts deposited in the Costs of Issuance Account from the proceeds of the Series 20\_\_ Bonds pursuant to Section 2.03(7)(b), there shall be deposited in the Costs of Issuance Account, from the proceeds of each Series of Refunding Bonds, the amounts set forth for deposit therein pursuant to the Supplemental Indentures authorizing the issuance of each such Series of Refunding Bonds.

3. The I-Bank shall make payments from the Costs of Issuance Account and, to the extent necessary, from its funds and accounts not subject to the pledge and lien of this Indenture, in the amounts, at the times, in the manner and on the other terms and conditions as the I-Bank shall determine to be fair and reasonable in the payment of the particular items of the Costs of Issuance relating to the issuance of a particular Series of Bonds and, in the case of the Series 20\_\_ Bonds, in accordance with the provisions of the Tax Certificate relating thereto. Upon the payment of all Costs of Issuance as evidenced by a Certificate of an Authorized Officer of the I-Bank to such effect, the amounts remaining in the Costs of Issuance Account, if any, shall be transferred as shall be set forth in such Certificate of an Authorized Officer of the I-Bank and, in the case of the Series 20\_\_ Bonds, in accordance with the provisions of the Tax Certificate relating thereto.

4. The Trustee shall deposit, in the Administrative Fee Account, the Administrative Fees received by the Trustee on behalf of the I-Bank pursuant to the Loan Agreements. The I-Bank shall utilize moneys on deposit in the Administrative Fee Account from time to time to pay the operating expenses of the I-Bank, as well as to pay for any other corporate purposes of the I-Bank that are permitted by the Act; provided, however, that in any Bond Year the moneys on deposit in the Administrative Fee Account shall be applied by the I-Bank in satisfaction of the operating expenses of the I-Bank arising pursuant to this Indenture in such Bond Year before such moneys may be applied in satisfaction of either (i) the other operating expenses of the I-Bank arising in such Bond Year or (ii) any other corporate purposes of the I-Bank arising in such Bond Year that are permitted by the Act.

**SECTION 5.04 Revenues.** The Trustee shall, as agent for the I-Bank and the State, perform the following duties and services:

1. The Trustee shall collect from each Borrower all required I-Bank Bond Loan payments, State Loan Repayments, Administrative Fee payments and State Administrative Fee payments, when due, in the amounts and at the times established by the I-Bank in a Certificate of an Authorized Officer of the I-Bank. The I-Bank shall use its best efforts to provide such Certificate to the Trustee no less than sixty (60) days prior to the date on which any such payments are due and payable. In collecting such payments from each Borrower, the Trustee shall rely exclusively upon such Certificate of an Authorized Officer of the I-Bank. To the extent the Trustee deems it necessary or appropriate, the Trustee may, and is hereby authorized to, establish a Clearing Account for the purpose of administering the collection of such payments. The Trustee hereby acknowledges that (a) all amounts so collected shall be collected by the Trustee on behalf of, and for the benefit of, the I-Bank and the State, to the extent of their respective interests therein, (b) in making such collections, the Trustee shall act as an agent for the I-Bank and the State, to the extent of their respective interests therein, (c) all amounts so collected by the Trustee shall be the property of the I-Bank and the State, to the extent of their respective interests therein, and not of the

Trustee, (d) all such amounts, when received by the Trustee, shall be deemed to be received by the I-Bank and the State, to the extent of their respective interests therein, as determined in accordance with paragraph (3) below, and (e) the amounts deemed received by the I-Bank as I-Bank Bond Loan Repayments and by the State as State Loan Repayments pursuant to the terms hereof, immediately upon receipt by the Trustee, shall be deemed to be Revenues, and shall be included in the Trust Estate established and pledged as security for the Bonds pursuant to this Indenture.

2. Promptly after collection of each I-Bank Bond Loan Repayment, State Loan Repayment, Administrative Fee payment, State Administrative Fee payment or other required payment from a Borrower, the Trustee shall credit such Borrower with each of the respective sums collected. Moneys received from each Borrower with respect to a particular payment date shall be credited, *first*, to the payment then due (other than the Administrative Fee payment) under the Loan Agreement, *second*, to the Administrative Fee payment then due under the Loan Agreement, *third*, to the payment then due (other than the State Administrative Fee payment, if any) under the State Loan Agreement, and, *fourth*, to the State Administrative Fee payment, if any, then due under the State Loan Agreement.

3. Promptly after crediting each Borrower pursuant to the order of priority established under paragraph (2), above, for the moneys received from each Borrower with respect to a particular payment date, the Trustee shall deposit the sums collected in the accounts established for such payments in the following order of priority of such deposits and the required amounts of such deposits:

(a) First, (i) into the I-Bank Bond Loan Repayments Account within the Revenue Fund established pursuant to this Indenture, a sum or sums from moneys credited as I-Bank Bond Loan Repayments equal to the amount required for the next immediate debt service payment date for the Bonds, and (ii) into the Administrative Fee Account in the Operating Expense Fund established pursuant to this Indenture, all moneys credited as Administrative Fee payments only then due to the I-Bank from each Borrower pursuant to its respective Loan Agreement;

(b) Upon depositing the required amounts pursuant to paragraph (3)(a), above, into the State Loan Repayments Account within the Revenue Fund established pursuant to this Indenture, all moneys credited as State Loan Repayments;

(c) (i) If, upon depositing the required amounts pursuant to paragraphs (3)(a) and (3)(b), above, the amounts on deposit in the I-Bank Bond Loan Repayments Account within the Revenue Fund are not sufficient to make all of the payments due with respect to the Bonds on the next immediate debt service payment date for such Bonds, then the Trustee shall transfer from the State Loan Repayments Account within the Revenue Fund to the I-Bank Bond Loan Repayments Account within the Revenue Fund an amount equal to the difference between the amount on deposit in the I-Bank Bond Loan Repayments Account within the Revenue Fund and the amount required to make all of the payments due on the next immediate debt service payment date for the Bonds;

(ii) If, upon depositing the required amounts pursuant to paragraphs (3)(a) and (3)(b), above, and after giving effect to any transfers required by paragraph 3(c)(i), above, the amounts on deposit in the I-Bank Bond Loan Repayments Account within the Revenue Fund are sufficient to make all of the payments due with respect to the Bonds on such date, then the Trustee shall transfer immediately to the Master Program Trustee for deposit in the Master Program Trust Account from moneys on deposit in the State Loan Repayments Account within the Revenue Fund and credited as State Loan Repayments only corresponding to the next immediate debt service payment date for the Bonds, for deposit and disbursement in accordance with the terms and conditions of the Master Program Trust Agreement;



(d) Upon depositing and/or transferring the required amounts pursuant to paragraphs (3)(a), (3)(b) and (3)(c), above, to the State all moneys credited as State Administrative Fee payments only, if any, then due to the State from each Borrower pursuant to its respective State Loan Agreement; and

(e) Upon depositing the required amounts pursuant to paragraphs (3)(a), (3)(b), (3)(c) and (3)(d), above, into the Applicable Account within the Revenue Fund all remaining moneys, if any, credited as Loan Repayments, to be applied in satisfaction of the amounts next required to be disbursed as provided under this paragraph (3) in the sequence and manner established pursuant to this paragraph (3).

In making the deposits required by the provisions of this subsection (3), the Trustee shall rely exclusively upon a Certificate of an Authorized Officer of the I-Bank, which Certificate shall be provided to the Trustee by the I-Bank simultaneously with the provision by the I-Bank to the Trustee of the Certificate required by the provision of subsection (1) of this Section 5.04.

4. If a payment of amounts due under a Loan Agreement or a State Loan Agreement is not received on or before the required payment date, the Trustee shall notify the I-Bank, the State, the Borrower and, if applicable, the trustee under the Borrower Bond Resolution (as such term is defined in the Loan Agreement) in writing on the first Business Day after such payment date that the payment is past due. If a payment of amounts due under a Loan Agreement or a State Loan Agreement is not received from the Borrower within ten days of the date when such payment is due, the Trustee shall promptly notify the I-Bank, the State, the Borrower and, if applicable, the trustee under the Borrower Bond Resolution in writing on the first Business Day thereafter.

5. The Trustee shall promptly notify the I-Bank, the State, the Borrower and, if applicable, the trustee under the Borrower Bond Resolution in writing on the first Business Day after a payment date if the moneys received from the Borrower pursuant to paragraph (2) of this Section 5.04 with respect to such payment date are insufficient to satisfy in full the I-Bank Bond Loan Repayments and Administrative Fee payments then due under the Loan Agreement. The Trustee shall promptly notify the I-Bank, the State, the Borrower and, if applicable, the trustee under the Borrower Bond Resolution in writing on the first Business Day after a payment date if the moneys received from the Borrower pursuant to paragraph (2) of this Section 5.04 with respect to such payment date are insufficient to satisfy in full the State Loan Repayments and State Administrative Fee payments then due under the State Loan Agreement. The Trustee shall also notify the I-Bank and the State if an I-Bank Bond Loan Repayment deficiency cannot be satisfied from Loan Repayments deposited pursuant to Section 5.04(3)(a) hereof.

6. In connection with the obligation of the Trustee pursuant to subsections (4) and (5) of this Section 5.04 to provide written notice to a trustee under a Borrower Bond Resolution, the I-Bank shall use its best efforts to maintain on file with the Trustee a list of such trustees, with relevant address and contact information included in such list. However, the failure of the I-Bank to provide such list to the Trustee shall not relieve the Trustee of the obligation to provide the written notice to such a trustee pursuant to the provisions of subsections (4) and (5) of this Section 5.04.

## **SECTION 5.05 Revenue Fund.**

1. On or prior to each Interest Payment Date, the Trustee shall transfer from amounts in the SRF Subaccount and the non-SRF Subaccount (and the Applicable Subaccounts therein) of the I-Bank Bond Loan Repayments Account within the Revenue Fund to the SRF Subaccount and the non-SRF Subaccount (and the Applicable Subaccounts therein), as applicable, of the Interest Account in the Debt Service Fund, the amount that, together with the amounts, if any, already on deposit in such Subaccounts of the Interest Account (other than Net Earnings on amounts that have been received in the Interest Account since the immediately preceding Interest Payment Date) and the amounts, if any, on deposit in

the Capitalized Interest Account as and to the extent designated for use on such Interest Payment Date pursuant to this Indenture or a Supplemental Indenture, is equal in the aggregate to the interest due and payable on the Bonds on such Interest Payment Date.

2. On or prior to September 1 of each year through and including final maturity of the Bonds, the Trustee shall transfer from moneys on deposit in the SRF Account and the non-SRF Account (and the Applicable Subaccounts therein) of the I-Bank Bond Loan Repayments Account within the Revenue Fund to the SRF Subaccount and the non-SRF Subaccount (and the Applicable Subaccounts therein), as applicable, of the Principal Account in the Debt Service Fund the amount that, together with the amounts, if any, already on deposit in such Subaccounts of the Principal Account (other than Net Earnings on amounts that have been received in the Principal Account since the immediately preceding Interest Payment Date), is equal in the aggregate to the principal, including Sinking Fund Installments, if any, due and payable on the Bonds on such September 1.

3. On or prior to each redemption date, other than a Sinking Fund Installment due date, the Trustee shall transfer from moneys on deposit in the SRF Account and the non-SRF Account (and the Applicable Subaccounts therein) of the I-Bank Bond Loan Repayments Account within the Revenue Fund (i) to the SRF Subaccount and the non-SRF Subaccount (and the Applicable Subaccounts therein), as applicable, of the Redemption Account in the Debt Service Fund an amount equal in the aggregate to the Redemption Price due and payable on all Bonds to be redeemed on such redemption date and (ii) to the SRF Subaccount and the non-SRF Subaccount (and the Applicable Subaccounts therein), as applicable, of the Interest Account in the Debt Service Fund an amount equal in the aggregate to the interest accrued and not paid and to accrue on such Bonds to such redemption date. Money received from a Borrower prior to September 1, [20\_\_] that represents a prepayment of its Loan as and to the extent permitted pursuant to its respective Loan Agreement shall be held in the accounts identified in a Certificate of an Authorized Officer of the I-Bank prior to September 1, [20\_\_], the first optional redemption date.

4. Reserved.

5. The Trustee shall keep records and accounts with respect to the Revenue Fund. Such records shall be in such format so that (i) all amounts received by the Trustee from the Borrowers pursuant to the Loan Agreements can be properly designated, pursuant to Section 5.04 hereof, as interest or principal payments on the Loans, or other than amounts payable pursuant to the Loan Agreements or Net Earnings attributable to such amounts, and (ii) all amounts received by the Trustee from the Borrowers pursuant to the State Loan Agreements can be properly designated, pursuant to Section 5.04 hereof, as State Loan Repayments pursuant to the State Loan Agreements, or other than amounts payable pursuant to the State Loan Agreements or Net Earnings attributable to such amounts.

#### **SECTION 5.06 Debt Service Fund.**

1. On each Interest Payment Date and each redemption date, the Trustee shall withdraw from the Capitalized Interest Account, if so designated (pursuant to the terms hereof or of the Applicable Supplemental Indenture), and the Interest Account, in each case in the Debt Service Fund, amounts equal in the aggregate to the interest due on the Bonds on such Interest Payment Date or redemption date, which moneys shall be paid by the Paying Agent in accordance with Section 3.01 hereof.

2. On the maturity or Sinking Fund Installment due date of any Bonds, the Trustee shall make available to the Paying Agent from moneys in the Principal Account in the Debt Service Fund an amount equal in the aggregate to the principal or Redemption Price of the Bonds due on such date, which moneys shall be applied by the Paying Agent to the payment of such principal or Redemption Price.

3. On each redemption date, other than a Sinking Fund Installment due date, the Trustee shall make available to the Paying Agent from moneys in the Redemption Account in the Debt Service Fund an amount equal in the aggregate to the Redemption Price of the Bonds to be redeemed on such redemption date, which moneys shall be applied by the Paying Agent to the payment of such Redemption Price.

**SECTION 5.07 Reserved.**

**SECTION 5.08 General Fund.**

On the first day of each Bond Year beginning September 1, 20\_\_, the Trustee shall deposit in the SRF Account and non-SRF Account (and the Applicable Subaccounts therein), as applicable, of the General Fund all moneys then remaining in the I-Bank Bond Loan Repayments Account within the Revenue Fund, except for those moneys identified as credits under Section 5.10 hereof to be transferred to the Interest Account on the second day of such Bond Year; provided, however, that (i) all transfers from the I-Bank Bond Loan Repayments Account within the Revenue Fund required pursuant to subsections (1), (2), (3) and (4) of Section 5.05 shall have been made, and (ii) all funds required to be on deposit in the Revenue Fund pursuant to Section 5.05(2) are on deposit in the Revenue Fund. Moneys, including Net Earnings thereon, on deposit in the General Fund may be applied by the I-Bank, upon written requisition from the I-Bank to the Trustee, in accordance with the Act and, in the case of proceeds of the Series 20\_\_ Bonds, the Tax Certificate, for any of its corporate purposes. Such requisition shall state that the I-Bank is requesting such moneys pursuant to the provisions of this Section 5.08.

**SECTION 5.09 Moneys to Be Held in I-Bank.**

All moneys required to be deposited with or paid to the Trustee or the Paying Agent for the account of any Fund or Account established pursuant to any provision of this Indenture for the Bonds in accordance with this Indenture, other than the Project Fund, the Operating Expense Fund and the Rebate Fund, shall be held by the Trustee or the Paying Agent, as the case may be, in trust for the Holders of the Bonds and shall constitute part of the Trust Estate while held by the Trustee or the Paying Agent; provided, however, that moneys deposited with and held by the Trustee or the Paying Agent for the redemption of Bonds on or after the redemption date of such Bonds, or for the payment of the Redemption Price of or interest on Bonds on or after the date on which such amounts shall have become due, shall be held and applied solely for the redemption or payment of the Redemption Price of or the payment of the interest on such Bonds as and to the extent provided in Section 12.01(6) hereof.

**SECTION 5.10 Investments.**

1. **Generally.** All moneys in any of the Funds and Accounts created pursuant to this Indenture, other than the Operating Expense Fund and the Accounts established therein (which shall be held by the I-Bank pursuant to the provisions of Section 5.01 hereof), shall be invested by the Trustee as directed by an Authorized Officer of the I-Bank in writing, subject to the further provisions of this Section. The Trustee may conclusively rely upon such written direction of an Authorized Officer of the I-Bank as to any and all investments and as to the compliance of any such investments with the then current procurement and investment policies and procedures of the I-Bank. Moneys in the Operating Expense Fund (which shall be held by the I-Bank pursuant to the provisions of Section 5.01 hereof) shall be invested by the I-Bank in accordance with the provisions of this Section.

Moneys in all Funds and Accounts created pursuant to this Indenture shall be invested in Investment Securities, the principal of and interest on which are payable not later than the dates on which it is estimated that such moneys will be required hereunder; provided, however, that the Project Fund and

the Project Loan Accounts established therein may be invested in the State of New Jersey Cash Management Fund or other similar common trust fund for which the New Jersey State Treasurer is the custodian, in addition to investment thereof in Investment Securities.

Investment Securities acquired as an investment of moneys in any Fund or Account created pursuant to this Indenture shall be credited to such Fund or Account. For the purpose of determining the amount in any Fund or Account at any time in accordance with this Indenture, all Investment Securities credited to such Fund or Account shall be valued at the lesser of amortized cost (exclusive of accrued interest) or fair market value.

The Trustee may act as principal or agent in the acquisition or disposition of any Investment Securities. The Trustee shall exercise its best efforts to sell at the best price obtainable, or present for redemption, any Investment Securities to the credit of any Fund or Account created pursuant to this Indenture, other than the Operating Expense Fund (and the respective Accounts therein), whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from such Fund or Account, and the Trustee shall not be liable for any loss resulting from such necessary sale so made of such Investment Securities.

1. Reserved.

2. **Net Earnings on all Funds and Accounts Subject to Transfer and Credit.** (i) All Net Earnings received in the first Bond Year from the investment of moneys in the Accounts and the SRF or non-SRF Subaccounts (and any Subaccounts therein), as applicable, of the Revenue Fund and in the SRF or non-SRF Subaccounts (and any Subaccounts therein), as applicable, of the Interest Account, the Principal Account and the Redemption Account in the Debt Service Fund shall be deposited or retained in the SRF Subaccount and non-SRF Subaccount (and the Applicable Subaccounts therein), as applicable, of the Interest Account in the Debt Service Fund on September 2, 20\_\_; (ii) all Net Earnings received from September 2 through and including March 1 in any Bond Year thereafter from the investment of moneys in any Fund, Account or Subaccount identified in clause (i), above, shall be deposited or retained in the SRF Subaccount and non-SRF Subaccount (and the Applicable Subaccounts therein), as applicable, of the Interest Account in the Debt Service Fund on March 2 of any such Bond Year; and (iii) all Net Earnings received from March 2 through and including September 1 in any Bond Year thereafter from the investment of moneys in any Fund, Account or Subaccount identified in clauses (i) and (ii), above, shall be deposited or retained in the SRF Subaccount and non-SRF Subaccount (and the Applicable Subaccounts therein), as applicable, of the Interest Account in the Debt Service Fund on September 2 of any such Bond Year.

3. **Specific Borrower Credits.** The Trustee, simultaneously with each transfer contemplated by Section 5.10(3) hereof, shall notify the I-Bank, in writing, of all such Net Earnings so transferred pursuant to Section 5.10(3) hereof. Such writings shall set forth the Net Earnings derived from each such Fund, Account or Subaccount identified in Section 5.10(3)(i), above. The I-Bank will credit the Interest Portion of the immediately succeeding I-Bank Bond Loan Repayment due from a Borrower, and to the extent moneys are available therefor, the principal portion of such I-Bank Bond Loan Repayments, if any, with the Allocable Share of the Net Earnings, so transferred pursuant to Section 5.10(3) hereof, allocable to said Borrower and notify the Borrower and the Trustee of such credit. The Allocable Share of the Net Earnings allocable to a Borrower shall be the sum of said Borrower's pro rata share of the Net Earnings derived in accordance with Section 5.10(3) hereof from each such Fund, Account or Subaccount identified in Section 5.10(3)(i), above, in any Bond Year commencing on or after September 1, 20\_\_, which pro rata share shall be equal to the product of: (i) such Net Earnings so derived from the SRF or non-SRF Subaccounts and Accounts (and any Subaccounts therein) of such Applicable Funds or Accounts, as applicable, and (ii) said Borrower's Allocable Share.

To the extent that an Authorized Officer of the I-Bank advises the Trustee in writing (which writing may be via electronic mail) that such Authorized Officer of the I-Bank has determined that the aggregate Net Earnings derived in accordance with Section 5.10(3) hereof and allocable to any individual Borrower on a given Interest Payment Date, as calculated by the I-Bank pursuant to this subsection, are less than the lesser of (I) one-twelfth (1/12) of the I-Bank Bond Loan Repayments due from such Borrower during the immediately preceding Bond Year, and (II) \$1,000, such Net Earnings shall be retained in the SRF Subaccount and non-SRF Subaccount (and the Applicable Subaccounts therein), as applicable, of the Interest Account of the Debt Service Fund, unless directed otherwise by an Authorized Officer of the I-Bank, and shall be credited to the I-Bank Bond Loan Repayment of such Borrower in accordance with this paragraph on the next succeeding Interest Payment Date. Furthermore, to the extent that an Authorized Officer of the I-Bank advises the Trustee in writing (which writing may be via electronic mail), the calculation pursuant to this subsection by the I-Bank of the aggregate Net Earnings derived in accordance with Section 5.10(3) hereof and allocable to any individual Borrower on a given Interest Payment Date need not be performed and, in such case, such Net Earnings shall be retained in the SRF Subaccount and non-SRF Subaccount (and the Applicable Subaccounts therein), as applicable, of the Interest Account of the Debt Service Fund, unless directed otherwise by an Authorized Officer of the I-Bank, and shall be credited to the I-Bank Bond Loan Repayment of such Borrowers in accordance with this subsection on the next succeeding Interest Payment Date.

4. **Earnings on Funds and Accounts Not Subject to Transfer and Credit.** All Net Earnings from the investment of moneys in the Project Fund, the Capitalized Interest Account within the Debt Service Fund, the General Fund, the Rebate Fund and the Operating Expense Fund (and each of the respective Accounts and Subaccounts therein) shall be retained in and treated as part of such respective Fund, Accounts and Subaccounts, and applied in accordance with the Sections of this Indenture governing such Funds, Accounts and Subaccounts.

5. **Rebate Fund.** The I-Bank may withdraw and utilize earnings in any Fund, Account or Subaccount, other than the Interest Account and the Principal Account (and the respective Subaccounts therein) in the Debt Service Fund, to pay into the Rebate Fund any amounts required pursuant to the Code to be set aside for a rebate payment to the Internal Revenue Service or to satisfy a yield restriction requirement, as identified in the Tax Certificate or any letter of instructions referred to in Section 8.06(2) hereof; provided, however, that to the extent any such moneys and investment earnings thereon on deposit in the Rebate Fund shall not be required for such purposes at the times so identified, all or a portion of such moneys shall be transferred by the Trustee to the General Fund upon the Trustee's receipt of written instructions from an Authorized Officer of the I-Bank to such effect. The Authorized Officer of the I-Bank shall submit to the Trustee a Certificate specifying the Funds, Accounts and/or Subaccounts, and the amount of earnings to be withdrawn therefrom, for the purposes of this Section 5.10(6), and the Trustee shall be entitled to rely upon each such Certificate in making payments to the I-Bank.

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## ARTICLE VI

### LOANS

**SECTION 6.01 Terms and Conditions of Loans.** The I-Bank shall make Loans to Borrowers for the purpose of paying a portion of the Costs of the Borrowers' Projects from moneys available therefor in the Applicable Project Loan Accounts in the Project Fund, and shall enter into Loan Agreements, in the manner, on the terms and conditions and upon submission of the documents required by this Article VI, and not otherwise.

**SECTION 6.02 Form of Loan Agreement.** The Loan Agreements shall be substantially in the form as determined and approved by the I-Bank, with such changes therein as shall be approved by an Authorized Officer of the I-Bank, as evidenced by the execution thereof by such Authorized Officer of the I-Bank; provided, however, that the Loans and the Loan Agreements shall in any event conform in all material respects to the provisions of this Article VI.

**SECTION 6.03 Restrictions on Loans.** No Loan may be made to reimburse a Borrower for all or a portion of the Cost of a Borrower's Project, or to refinance indebtedness or reimburse the Borrower for the repayment of indebtedness previously incurred by such Borrower to finance all or a portion of the Cost of such Borrower's Project, unless the Borrower shall deliver to the I-Bank and the Trustee an opinion of Bond Counsel approved by an Authorized Officer of the I-Bank, in form and substance satisfactory to the Authorized Officer of the I-Bank, to the effect that such reimbursement or refinancing will not adversely affect the exclusion from gross income for federal income tax purposes of interest paid on the Bonds.

**SECTION 6.04 Loan Closing Submissions.** Prior to or at each Loan Closing of a Loan, the I-Bank and the Trustee shall receive the following documents from each Borrower that is receiving a Loan in order for such Borrower to remain included in the definition of "Borrower" (as set forth in Section 1.01(b) hereof) for all purposes of this Indenture, including, without limitation, receipt of the Loan:

(a) an opinion or opinions of the Borrower's Counsel substantially in the form set forth in Exhibit E to the Loan Agreement; provided, however, that an Authorized Officer of the I-Bank may permit variances in such opinion from the form or substance of such Exhibit E, if such variances are not to the material detriment of the interests of the Bondholders;

(b) the fully executed Loan Agreement of each Borrower, designating, among other things, the SRF status or the non-SRF status, as applicable and as determined by the State, of the Project (as defined in such Loan Agreement) of such Borrower;

(c) the Borrower's bond evidencing and securing the payment obligations of the Borrower pursuant to such Loan Agreement, duly executed, authenticated and delivered by such Borrower, and assigned by the I-Bank to the Trustee;

(d) the opinion required by Section 6.03 hereof, if applicable;

(e) copies of the resolutions or ordinances of the governing body of the Borrower authorizing the execution and delivery of such Loan Agreement and Borrower bond, certified by an Authorized Officer of the Borrower;

(f) an opinion of Counsel to the I-Bank that the Borrower's Project (as defined in its Loan Agreement) constitutes an "environmental infrastructure project" within the meaning of the Act and that the financing thereof by the I-Bank is permissible pursuant to the Act and Section 6.01 of this Indenture; and

(g) such other certificates, documents, opinions and information as the I-Bank or the Trustee may require.

All opinions and certificates required pursuant to this Section shall be dated the date of the Loan Closing and all such opinions shall be addressed, at a minimum, to the I-Bank and the Trustee.

**SECTION 6.05 I-Bank Bond Loan Repayments.** With respect to the Loans made by the I-Bank from the proceeds of any Series of Bonds, the I-Bank shall establish I-Bank Bond Loan Repayments pursuant to the Applicable Loan Agreements in such amounts that, together with any amounts available and required to be treated as credits pursuant to this Indenture, shall be sufficient to pay the principal of, prepayment premium, if any, and interest on such Series of Bonds as the same become due and payable.

**SECTION 6.06 Continuing Disclosure.** Prior to each Loan Closing with respect to a Loan, the I-Bank, pursuant to the sole discretion of an Authorized Officer of the I-Bank, in consultation with Bond Counsel, general counsel and other appropriate advisors to the I-Bank, shall determine if any Borrower is a material "obligated person" within the meaning and for the purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "SEC") pursuant to the Securities Exchange Act of 1934, as amended or supplemented, including any successor regulation or statute thereto ("Rule 15c2-12"), based upon the following criteria hereby established as the means of satisfying the meaning and purposes of Rule 15c2-12: Borrowers shall be considered to be material "obligated persons" if their remaining Fund Loan (unless defined in this Section 6.06, capitalized terms not defined in this Indenture and used in this Section 6.06 shall have the respective meanings ascribed to such terms in the Master Program Trust Agreement) repayments in all Coverage Providing Financing Programs, when aggregated with such Borrower's I-Bank Loan repayments, if any, in respect of the Bonds, exceed ten percent (10%) of the sum of (i) the aggregate of all remaining Fund Loan repayments from all Borrowers in all Coverage Providing Financing Programs and (ii) the aggregate of all remaining I-Bank Loan repayments from all Borrowers.

To the extent any Borrowers that have been determined to be material "obligated persons" within the meaning and for the purposes of Rule 15c2-12 have entered into Service Agreements with Underlying Government Units and if any such Underlying Government Units have entered into Service Agreements with Indirect Underlying Government Units (as such terms are defined in the Loan Agreements) whereby annual charges or indirect annual charges, as the case may be, materially secure the I-Bank Bond Loan Repayments of any such Borrowers, any such Underlying Government Unit and Indirect Underlying Government Unit shall also be considered material "obligated persons" within the meaning and for the purposes of Rule 15c2-12.

Any Borrower determined to be a material "obligated person" based upon the criteria set forth herein shall be required to enter into a Continuing Disclosure Agreement, with a term as specified therein, by and among such Borrower, the I-Bank and the Trustee, substantially in the form attached as Exhibit H to such Borrower's Loan Agreement, with such changes therein as shall be approved by the I-Bank, as evidenced by the execution thereof by an Authorized Officer of the I-Bank.

The I-Bank hereby determines that it is not an "obligated person". Nevertheless, the I-Bank hereby covenants to provide notice of Bond Disclosure Events (as defined in the Continuing Disclosure Agreement), if material, with respect to the Series 20\_\_ Bonds to each Nationally Recognized Municipal

Securities Information Repository recognized by the SEC or to the Municipal Securities Rulemaking Board and the State Information Depository, if any, recognized by the SEC.

The I-Bank hereby determines that the Series 20\_\_ Financing Program relating to the Series 20\_\_ Bonds is an “obligated person”, and shall be required to enter into a Continuing Disclosure Agreement, with a term as specified therein, by and among the I-Bank, the Trustee and the Master Program Trustee, substantially in the form attached hereto as Exhibit B, with such changes therein as shall be approved by the I-Bank, as evidenced by the execution thereof by an Authorized Officer of the I-Bank.

Notwithstanding any provision to the contrary in Article XI hereof, the I-Bank may amend or supplement this Section 6.06 to comply with any amendment, supplement, modification, termination or other change to Rule 15c2-12.

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## ARTICLE VII

### ADDITIONAL PROVISIONS RELATING TO LOANS

#### **SECTION 7.01     Reserved.**

**SECTION 7.02     Defaults.** The Trustee shall notify the I-Bank of its failure to receive any I-Bank Bond Loan Repayment, if any, of a Borrower due under any Loan Agreement and of any other event of default under such Loan Agreement known to the Trustee.

The Trustee shall diligently enforce, and take all reasonable steps, actions and proceedings necessary for the enforcement of, all terms and conditions of all Loan Agreements, including (without limitation) the prompt payment of all I-Bank Bond Loan Repayments and all other amounts due the I-Bank, and the observance and performance of all duties, covenants, obligations and agreements, thereunder; provided, however, that the Trustee shall not accelerate the payment of amounts due under any Loan Agreement following any event of default thereunder (other than any event of default which shall automatically accelerate such payment under the Loan Agreements), unless the Trustee shall have given the I-Bank thirty (30) days' written notice of the occurrence of such event of default and shall have afforded the I-Bank the opportunity to cause such event of default to be cured during the 30-day period following receipt by the I-Bank of such notice.

The Trustee shall not release the duties, covenants, obligations or agreements of any Borrower under any Loan Agreement and shall at all times, to the extent permitted by law, defend, enforce, preserve and protect the rights and privileges of the I-Bank and the Holders under or with respect to each Loan Agreement; provided, however, that this provision shall not be construed to prevent the Trustee (with the written consent of the I-Bank) from settling a default under any Loan Agreement on such terms as the Trustee shall determine to be in the best interests of the I-Bank and the Holders. The I-Bank hereby appoints the Trustee its agent and attorney-in-fact for purposes of enforcing all rights, title and interests of the I-Bank under the Loan Agreements, except for the enforcement of all rights, title and interests of the I-Bank relating to the payment by the Borrower of the Administrative Fee and otherwise, subject to the provisions of this Section.

**SECTION 7.03     Termination of Loan Agreements.** Upon the payment in full of all amounts due under a Loan Agreement, the I-Bank shall cancel the obligation of the Borrower evidenced by such Loan Agreement and terminate and release all security interests and liens created under such Loan Agreement and the I-Bank and the Trustee shall take any other action required of the I-Bank or the Trustee in such Loan Agreement in connection with such cancellation, termination and release, including (without limitation) the execution of all relevant documents in connection with such actions.

**SECTION 7.04     Loan Files.** After each Loan Closing, the Trustee shall retain all the documents received by it pursuant to Article VI hereof in connection with such Loan Closing or in connection with the Loan made at such Loan Closing in a file pertaining to such Loan, to which file the Trustee shall from time to time add (i) all records and other documents pertaining to disbursements of amounts to the Borrower under the Loan Agreement and to Loan Repayments and other amounts received by the Trustee under such Loan Agreement and (ii) all communications from or received by the Trustee with respect to such Loan. Such file shall be kept at the Principal Office of the Trustee and shall be available for inspection by the I-Bank and its agents at reasonable times and under reasonable circumstances.

**SECTION 7.05 Trustee's Obligations.** The Trustee shall observe and perform all duties, covenants, obligations and agreements of the I-Bank under each Loan Agreement to the extent specified herein.

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## ARTICLE VIII

### GENERAL COVENANTS

**SECTION 8.01 Payment of Bonds.** The I-Bank shall pay or cause to be paid the principal or Redemption Price of and interest on every Bond of each Series on the date, at the place and in the manner provided herein, in the Applicable Supplemental Indenture and in such Bonds, according to the true intent and meaning thereof; provided, however, that the Bonds of each Series are special obligations of the I-Bank, the principal or Redemption Price of and interest on which are payable by the I-Bank solely from the Trust Estate.

The Bonds of each Series shall not be payable from the general funds of the I-Bank and shall not constitute a legal or equitable pledge of, or lien or encumbrance upon, any of the assets or property of the I-Bank or upon any of its income, receipts or revenues, except as provided in this Indenture. The full faith and credit of the I-Bank are not pledged, either expressly or by implication, to the payment of the Bonds. The I-Bank has no taxing power and has no claim on any revenues or receipts of the State of New Jersey or any agency or political subdivision thereof or any Borrower except as expressly provided in a Borrower's Loan Agreement.

**SECTION 8.02 Observance and Performance of Duties, Covenants, Obligations and Agreements; Representations as to Authorization and Validity of Bonds.** The I-Bank shall faithfully observe and perform at all times all of its duties, covenants, obligations and agreements contained in the Loan Agreements or in any Bond executed, authenticated and delivered pursuant to this Indenture and any Supplemental Indenture or in any proceedings of the I-Bank pertaining thereto.

The I-Bank represents and covenants that: (i) it is duly authorized under the Constitution and laws of the State of New Jersey, including, without limitation, the Act, to issue the Bonds of each Series, to enter into each of the Loan Agreements and the Master Program Trust Agreement, and to pledge the Trust Estate in the manner and to the extent set forth in this Indenture and as shall be set forth in any Supplemental Indenture; (ii) all action on its part for the issuance of the Bonds of each Series will be duly and effectively taken; and (iii) the Bonds of each Series held by the Holders thereof will be valid and binding special obligations of the I-Bank enforceable according to their terms.

**SECTION 8.03 Liens, Encumbrances and Charges.** The I-Bank shall not create or cause to be created and shall not suffer to exist, any lien, encumbrance or charge upon the Trust Estate except the pledge, lien and charge created for the security of Holders of the Bonds. As and to the extent Revenues are received, the I-Bank will cause to be discharged, or will make adequate provision to satisfy and discharge, within sixty (60) days after the same shall accrue, all lawful claims and demands that if unpaid might by law become a lien upon the Trust Estate; and in furtherance of the provisions hereof, the I-Bank may exercise applicable remedies and rights of indemnification provided to it pursuant to the terms of the Applicable Loan Agreement with respect to costs incurred thereby to pay or cause to be discharged, or make provision for, any such lien, encumbrance or charge, as well as the costs of all appropriate legal proceedings; provided, however, that nothing contained in this Section shall require the I-Bank to pay or cause to be discharged, or make provision for, any such lien, encumbrance or charge so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

So long as Bonds of any Series shall be Outstanding, the I-Bank shall not issue any bonds, notes or other evidences of indebtedness, other than such Bonds, secured by any pledge of or other lien or charge on the Trust Estate. Notwithstanding the foregoing, the I-Bank may issue future series of bonds, notes or other evidences of indebtedness that have an interest in the Master Program Trust Account to the

extent set forth in the Master Program Trust Agreement. Nothing in this Indenture is intended to or shall affect the right of the I-Bank to issue bonds, notes and other obligations pursuant to other resolutions or indentures for any of its other purposes.

**SECTION 8.04 Accounts and Audits.** The I-Bank shall keep, or cause to be kept, proper books of records and accounts (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Loans, this Indenture and any Supplemental Indenture, which books and accounts (at reasonable hours and subject to the reasonable rules and regulations of the I-Bank) shall be subject to the inspection of the Trustee and any Holder of any Bonds or their agents or representatives duly authorized in writing. The I-Bank shall cause such books and accounts to be audited annually by an independent certified public accountant selected by the I-Bank. Annually, not later than December 1 of each year with respect to the fiscal year of the I-Bank ended on the immediately preceding June 30, a signed copy of such report shall be furnished by the I-Bank to the Trustee or otherwise be made available. Such report shall include at least: (i) a statement of all funds and accounts (including investments thereof) held by the Master Program Trustee pursuant to the provisions of the Master Program Trust Agreement; and (ii) a statement of the Revenues, Administrative Fees and State Administrative Fees collected in connection with this Indenture. The Trustee has no obligation to review the contents of such report, shall not be deemed to have knowledge of its contents, and shall receive and hold such report solely for the convenience of the Holders.

**SECTION 8.05 Further Assurances.** The I-Bank will pass, make, do, execute, acknowledge and deliver any and all such further resolutions, indentures, actions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture and for the better assuring and confirming unto the Holders of Bonds the rights and benefits provided in this Indenture, including exercising its State aid intercept powers pursuant to the Act.

**SECTION 8.06 Tax Rebate.**

1. In connection with the issuance of any Series of Bonds, an Authorized Officer of the I-Bank is authorized to execute, on behalf of the I-Bank, a Certificate as to arbitrage (including, without limitation, the Tax Certificate with respect to the Series 20\_\_ Bonds), a letter of instructions as to certain requirements of the Code, or any similar documents relating to the characterization of such Series of Bonds as not being “arbitrage bonds” within the meaning of Sections 103(a)(2) and 148 of the Code.

2. With respect to any Series of Bonds, any amounts required to be set aside for rebate or to satisfy a yield restriction requirement to the Internal Revenue Service pursuant to any letter of instructions or Certificate as to arbitrage (including, without limitation, the Tax Certificate with respect to the Series 20\_\_ Bonds) shall be considered a loss for purposes of determining “Net Earnings” pursuant to Section 5.10 hereof.

**SECTION 8.07 Application of Loan Prepayments.** Upon the prepayment, in whole or in part, of any Loan, the I-Bank shall elect to apply such prepayment proceeds either (i) to the redemption of Bonds on the next succeeding call date in accordance with Article IV hereof, or (ii) to the payment of Bonds in accordance with Section 12.01. The I-Bank may only consent to Loan prepayments pursuant to the Loan Agreements if it simultaneously delivers to the Trustee (i) a certificate of an independent public accountant demonstrating that the aggregate I-Bank Bond Loan Repayments due pursuant to the Loan Agreements after such prepayment shall be sufficient to pay when due the principal of and interest on all Bonds outstanding after giving effect to the I-Bank’s election required in the immediately preceding sentence, and (ii) irrevocable instructions to effectuate such election regarding the application of prepayment proceeds. The I-Bank shall give notice to each Rating Agency of any such Loan prepayments and its application of the proceeds thereof. The posting of any such notice to the Electronic

Municipal Market Access system of the Municipal Securities Rulemaking Board shall constitute notice to each Rating Agency for purposes of this paragraph.

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## ARTICLE IX

### DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDHOLDERS

**SECTION 9.01 Defaults; Events of Default.** If any of the following events occurs, it is hereby defined as and declared to be and to constitute an “Event of Default” for the Bonds of all Series then Outstanding:

- (a) default in the due and punctual payment of any interest on any Bond; or
- (b) default in the due and punctual payment of the principal or Redemption Price of any Bond whether at the stated maturity thereof or on any date fixed for the redemption of such Bond; or
- (c) if (i) the I-Bank shall be adjudicated a bankrupt or become subject to an order for relief under federal bankruptcy law, (ii) the I-Bank shall institute a proceeding seeking an order for relief under federal bankruptcy law or seeking to be adjudicated a bankrupt or insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or all of its debts under New Jersey bankruptcy or insolvency law, (iii) with the consent of the I-Bank, there shall be appointed a receiver, liquidator or similar official for the I-Bank under federal bankruptcy law or under New Jersey bankruptcy or insolvency law, or (iv) without the application, approval or consent of the I-Bank, a receiver, trustee, liquidator or similar official shall be appointed for the I-Bank under federal bankruptcy law or under New Jersey bankruptcy or insolvency law, or a proceeding described in clause (ii) above shall be instituted against the I-Bank and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of sixty (60) consecutive days; or
- (d) if (i) the I-Bank shall make an assignment for the benefit of creditors, (ii) the I-Bank shall apply for or seek the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its property, (iii) the I-Bank shall fail to file an answer or other pleading denying the material allegations of any proceeding filed against it described under clause (ii) of paragraph (c) of this Section, (iv) the I-Bank shall take any action to authorize or implement any of the actions set forth in paragraph (c) or (d) of this Section, (v) the I-Bank shall fail to contest in good faith any appointment or proceeding described in paragraph (c) or (d) of this Section or (vi) without the application, or approval or consent of the I-Bank, a receiver, trustee, examiner, liquidator or similar official shall be appointed for any substantial part of the I-Bank’s property and such appointment shall continue undischarged or such proceedings shall continue undismissed or unstayed for a period of sixty (60) consecutive days; or
- (e) the I-Bank shall default in the performance or observance of any other of the duties, covenants, obligations, agreements or conditions on the part of the I-Bank to be performed or observed pursuant to this Indenture or the Bonds of each Series, which default shall continue for thirty (30) days after written notice specifying such default and requiring the same to be remedied shall be given to the I-Bank by the Trustee or the Bondholders in accordance with Section 9.10 hereof.

**SECTION 9.02 Acceleration of Bonds; Remedies.** If an Event of Default described in Section 9.01 shall occur for any Series of Bonds, the Trustee may, and at the written request of the Holders of a majority in aggregate principal amount of the Outstanding Bonds shall, by telephonic notice to the I-Bank (promptly confirmed in writing) declare the principal of all Bonds then Outstanding to be due and payable; provided, however, that before making such declaration, the Trustee shall give thirty

(30) days' notice to the I-Bank. Upon any such declaration, the Trustee shall forthwith give notice thereof to the Borrowers and the Paying Agents.

At any time after the principal of the Bonds shall have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such Event of Default, or before the completion of the enforcement of any other remedy pursuant to this Indenture, the Trustee, by written notice to the I-Bank, may annul such declaration and its consequences if: (i) moneys shall have accumulated in the Interest Account and the Principal Account in the Debt Service Fund sufficient to pay all arrears of interest, if any, upon all of the Outstanding Bonds (except the interest accrued on such Bonds since the last Interest Payment Date) and the principal then due on all Bonds (except the principal on any such Bonds due solely as a result of any such declaration of acceleration); (ii) moneys shall have accumulated and be available sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee; and (iii) every other default known to the Trustee in the observance or performance of any duty, covenant, obligation, condition or agreement contained in the Bonds or in this Indenture, shall have been remedied to the satisfaction of the Trustee; provided, however, that such declaration may be annulled only with the written consent of the Holders of a majority in aggregate principal amount of the Bonds Outstanding and not then due by their terms. No such annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

Upon the occurrence of an Event of Default, the Trustee shall also have the following rights and remedies:

(a) the Trustee shall, at the direction of the Holders of a majority in aggregate principal amount of the Outstanding Bonds, and upon being indemnified to its reasonable satisfaction, pursue any available remedy at law or in equity or by statute to enforce the payment of the principal of and interest on the Bonds then Outstanding, including (without limitation) the right (to the extent legally enforceable) to, by written notice to the I-Bank, declare the principal of the bonds then outstanding to be due and payable of any Borrower whose actions have directly or indirectly caused any such Event of Default and including the enforcement of any other rights of the I-Bank or the Trustee under the Loan Agreements;

(b) the Trustee by action or suit in equity may require the I-Bank to account as if it were the trustee of an express trust for the Holders of Bonds and may take such action with respect to the Loan Agreements as the Trustee deems necessary or appropriate and in the best interest of the Holders of Bonds, subject to the terms of such Loan Agreements; and

(c) upon the filing of a suit or other commencement of judicial proceedings to enforce any rights of the Trustee and of the Holders of Bonds pursuant to this Indenture, the Trustee will be entitled as a matter of right to the appointment of a receiver or receivers of the Trust Estate and the issues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

If an Event of Default shall have occurred with respect to any Bonds, and if requested so to do by the Holders of a majority in principal amount of the Bonds then Outstanding, and upon being indemnified to its reasonable satisfaction therefor, the Trustee shall be obligated to exercise such one or more of the rights, remedies and powers conferred by this Section as the Trustee shall deem most expedient in the interests of the Holders of Bonds.

No right or remedy by the terms of this Indenture conferred upon or reserved to the Trustee (or to the Holders of Bonds) is intended to be exclusive of any other right or remedy, but each and every such right or remedy shall be cumulative and shall be in addition to any other right or remedy given to Trustee

or to such Holders hereunder or now or hereafter existing at law or in equity or by statute other than pursuant to the Act. The assertion or employment of any right or remedy shall not prevent the concurrent or subsequent assertion or employment of any other right or remedy.

No delay or omission to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein, and every such right or remedy may be exercised from time to time and as often as may be deemed expedient.

No waiver of any Event of Default hereunder, whether by the Trustee or by the Holders of any Bonds in default, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

**SECTION 9.03 Right of Holders of a Series of Bonds to Direct Proceedings.** Anything in this Indenture to the contrary notwithstanding, but subject to Section 9.07 hereof, the Holders of a majority in aggregate principal amount of Bonds in default then Outstanding shall have the right at any time during the continuance of an Event of Default of such Bonds, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder; provided, however, that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture.

**SECTION 9.04 Reserved.**

**SECTION 9.05 Application of Moneys.** All moneys received by the Trustee pursuant to any right or remedy given or action taken under the provisions of this Article upon any acceleration of the due date for the payment of the principal of and interest on the Bonds in default (including, without limitation, moneys received by virtue of action taken under provisions of any Loan Agreement, shall, after the payment, in full, of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee (including reasonable attorney fees) and any other moneys owed to the Trustee in connection with such Bonds hereunder), be applied, first, to the payment of the interest then due and unpaid upon the Bonds in default and, second, to the payment of the principal then due and unpaid upon the Bonds in default, to the persons entitled thereto, without any discrimination or privilege.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard for the amount of such moneys available for application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Holder of any Bond in default until such obligation shall be presented to the Trustee for appropriate endorsement or for cancellation (as the case may be).

**SECTION 9.06 Remedies Vested in Trustee.** All rights of action (including, without limitation, the right to file proofs of claims) pursuant to this Indenture or under any of the Bonds in default may be enforced by the Trustee without possession of any of the Bonds or the production thereof in any trial or other proceeding related thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee for the equal and ratable benefit of the Holders of all the



Outstanding Bonds without the necessary of joining as plaintiffs or defendants any Holders of such Bonds.

**SECTION 9.07 Rights and Remedies of Holders of Bonds.** No Holder of Bonds then Outstanding in default shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless (a) an Event of Default shall have occurred, (b) the owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the remedies hereinbefore granted or to institute such action, suit or proceeding in its own name, (c) the Holders shall have offered to the Trustee reasonable indemnity satisfactory to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request, and (d) the Trustee shall have refused, or for sixty (60) days after receipt of such request and offer of indemnification shall have failed to exercise the remedies hereinbefore granted, or to institute such action, suit or proceeding in its own name, and such request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder. It is understood and intended that no one or more Holders of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture by his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal and ratable benefit of the Holders of all Bonds then Outstanding; provided, however, that nothing contained in this Indenture shall affect or impair the right of the Holder of any Bond to enforce the payment of the principal or Redemption Price of and interest on such Bond at and after the maturity thereof, or the obligation of the I-Bank to pay the principal or Redemption Price of and interest on each of the Bonds issued hereunder to the respective Holders thereof at the time and place, from the source and in the manner expressed in the Bonds and in this Indenture and the Applicable Supplemental Indenture.

**SECTION 9.08 Termination of Proceedings.** In case the Trustee or a Holder of a Bond in default shall have proceeded to enforce any right pursuant to this Indenture by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee or such Holder, then and in every such case the I-Bank, the Trustee and the Holders of Bonds shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee and the Holders shall continue as if no such proceedings have been taken.

**SECTION 9.09 Waivers of Events of Default.** The Trustee may and, upon the written request of the Holders of not less than 25% in aggregate principal amount of all Bonds in default then Outstanding, shall waive any Event of Default which in its opinion shall have been remedied before the completion of the enforcement of any remedy pursuant to this Indenture; but no such waiver shall extend to any subsequent or other Event of Default, or impair any rights consequent thereon.

**SECTION 9.10 Notice of Certain Defaults; Opportunity of I-Bank to Cure Defaults.** Anything herein to the contrary notwithstanding, no Default under Section 9.01(e) hereof shall constitute an Event of Default until actual notice of such Default shall be given to the I-Bank by registered or certified mail by the Trustee or by the Holders of a majority in aggregate principal amount of all Bonds then Outstanding and the I-Bank shall not have corrected the Default or caused the Default to be corrected within thirty (30) days following the giving of such notice; provided, however, that if the Default be such that it is correctable but cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by the I-Bank within the applicable period and diligently pursued until the Default is corrected.

The I-Bank hereby grants to the Trustee full authority for the account of the I-Bank to observe or perform any duty, covenant, obligation or agreement alleged in any alleged Default concerning which notice is given to the I-Bank under the provisions of this Section in the name and stead of the I-Bank with full power to do any and all things and acts to the same extent that the I-Bank could do and perform any such things and acts and with power of substitution.

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## ARTICLE X

### FIDUCIARIES

**SECTION 10.01 Appointments, Duties, Immunities and Liabilities of Trustee.** The Trustee is hereby appointed and does hereby accept and agree to execute the trusts created pursuant to this Indenture and all other agreements with the I-Bank, including, without limitation, the Master Program Trust Agreement, but only upon the additional terms set forth in this Article, to all of which the Bondholders agree by their acceptance of delivery of any of the Bonds. The obligations and duties of the Trustee shall be determined solely by reference to this Indenture and all other agreements with the I-Bank, including, without limitation, the Master Program Trust Agreement.

**SECTION 10.02 Paying Agents; Appointments.** The Trustee is hereby appointed Paying Agent and shall also act as registrar for the Series 20\_\_ Bonds. The I-Bank shall appoint one or more Paying Agents for the Bonds of each additional Series, and may at any time or from time to time appoint one or more other Paying Agents having the qualifications set forth in Section 10.13 for a successor Paying Agent. There shall be no limitation upon the ability of the I-Bank to appoint the Trustee to serve as a Paying Agent, provided that the Trustee otherwise satisfies the qualifications set forth herein (including, without limitation and as applicable, the qualifications set forth in Section 10.13 for a successor Paying Agent) that are applicable to a Paying Agent.

1. The Trustee hereby accepts its appointment as Paying Agent and as registrar for the Series 20\_\_ Bonds.

2. Unless otherwise provided, the principal corporate trust offices of the Paying Agents are designated as the respective offices or agencies of the I-Bank for the payment of the interest on and principal or Redemption Price of the Bonds.

3. The I-Bank may enter into agreements with any Paying Agent providing for the payment to the I-Bank of amounts in respect of interest earned on moneys held by such Paying Agent for the payment of principal or Redemption Price of and interest on Bonds. Any such payments to the I-Bank shall be deposited in the I-Bank Bond Loan Repayments Account within the Revenue Fund and applied as Revenues.

### **SECTION 10.03 Responsibilities of Fiduciaries.**

The recitals of fact contained herein and in the Bonds shall be taken as the statements of the I-Bank and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representation as to the validity or sufficiency of this Indenture or of any Bonds issued thereunder or as to the security afforded by this Indenture, and no Fiduciary shall incur any liability in respect thereof. The Trustee shall, however, be responsible for its representation contained in its authentication certificate on the Bonds. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to the I-Bank or to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect thereof, or to advance any of its own moneys, unless properly indemnified to its satisfaction. Subject to the provisions of subsection 2 of this Section 10.03, no Fiduciary shall be liable in connection with the observance and performance of its duties and obligations hereunder except for its own negligence or misconduct.

1. The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and obligations and only such duties and obligations as are specifically set forth in this Indenture. In case an Event of Default has occurred (which has not been cured) the Trustee shall exercise such of the rights and powers invested in it by this Indenture, and use the same degree of care and skill in its exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs. Any provision of this Indenture relating to action taken or to be taken by the Trustee or to evidence upon which the Trustee may rely shall be subject to the provisions of this Section 10.03.

#### **SECTION 10.04 Evidence Upon Which Fiduciaries May Act.**

1. Each Fiduciary, upon receipt of any notice, Supplemental Indenture, request, consent, order, certificate, report, opinion, bond or other paper or document furnished to it pursuant to any provision of this Indenture, shall examine such instrument to determine whether it conforms to the requirements of this Indenture and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with Counsel, who may or may not be counsel to the I-Bank, and the opinion of such Counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it pursuant to this Indenture in good faith and in accordance therewith.

2. Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action pursuant to this Indenture, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate of an Authorized Officer of the I-Bank, and such Certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Indenture upon the faith thereof; but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable.

3. Except as otherwise expressly provided in this Indenture, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision thereof by the I-Bank to any Fiduciary shall be sufficiently executed in the name of the I-Bank by an Authorized Officer of the I-Bank.

**SECTION 10.05 Compensation.** The I-Bank shall pay each Fiduciary from time to time reasonable compensation for all services rendered pursuant to this Indenture, including in that limitation the services rendered pursuant to Section 12.01, and also all reasonable expenses incurred in and about the performance of their powers and duties pursuant to this Indenture and each Fiduciary shall have a lien therefor on any and all funds and accounts at any time held by it pursuant to this Indenture, other than the Project Loan Account in the Project Fund. Subject to the provisions of Section 10.03, the I-Bank further agrees to indemnify and save each Fiduciary harmless against any losses, liabilities and expenses (including reasonable legal fees) which it may incur in the exercise and performance of its powers, duties and obligations hereunder, other than losses, liabilities and expenses (including legal fees) attributable to the negligence, bad faith, breach of contract or misconduct of the Fiduciary, arising out of or as a result of the Fiduciary performing its obligations pursuant to this Indenture or undertaking any transaction contemplated by this Indenture; provided, however, that the foregoing is subject to the limitations of the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:2-1 *et seq.* and the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 *et seq.*

Each Fiduciary agrees as follows:

1. The Fiduciary shall give the I-Bank prompt notice in writing of any actual or potential claim described above and the institution of any suit or action;

2. The Fiduciary shall not adjust, settle or compromise any such claim, suit or action without the approval of I-Bank; and

3. The Fiduciary shall permit the I-Bank, if the I-Bank so chooses, to assume full control of the adjustment settlement, compromise or defense of each such claim, suit or action.

While the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 *et seq.*, is not applicable by its terms to claims arising under contracts with the I-Bank, each Fiduciary agrees that such statute (except N.J.S.A. 59:13-9) shall be applicable to all claims against the I-Bank arising under this Section 10.05.

The indemnification provided in this Section 10.05 does not apply or extend to any indemnification given by a Fiduciary to any other person.

**SECTION 10.06 Certain Permitted Acts.** Any Fiduciary may become the Holder of any Bonds, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depositary for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not any such committee shall represent the Holders of a majority in principal amount of the Bonds then Outstanding.

**SECTION 10.07 Resignation of Trustee.** The Trustee may at any time resign and be discharged of the duties and obligations created by this Indenture by giving not less than one hundred twenty (120) days' written notice to the I-Bank, and mailing notice thereof to the Holders of the Bonds then Outstanding, specifying the date when such resignation shall take effect, and such resignation shall take effect upon the day specified in such notice unless previously a successor shall have been appointed by the I-Bank or the Bondholders as provided in Section 10.09, in which event such resignation shall take effect immediately on the appointment of such successor, or unless a successor shall not have been appointed by the I-Bank or the Bondholders as provided in Section 10.09 on that date, in which event such resignation shall not take effect until a successor is appointed.

**SECTION 10.08 Removal of Trustee.** The Trustee may be removed at any time: (i) by an instrument or concurrent instruments in writing, filed with the Trustee, and signed by the Holders of a majority in principal amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the I-Bank, (ii) so long as no Event of Default, or any event which, with notice or passage of time, or both, would become an Event of Default, shall have occurred and be continuing, for just cause by a resolution of the I-Bank filed with the Trustee, (iii) upon a determination by the I-Bank, in its sole discretion, that the compensation charged by the Trustee is excessive for the duties, obligations and other services to be performed by the Trustee pursuant to this Indenture, such determination by the I-Bank to be established by a resolution adopted by the I-Bank and filed with the Trustee no less than 30 days prior to the effective date of such termination, or (iv) for any reason to be determined by the I-Bank, in its sole discretion, and without any requirement that just cause be demonstrated, such determination by the I-Bank to be established by a resolution adopted by the I-Bank and filed with the Trustee no less than 30 days prior to the effective date of such termination, provided, however, that the provisions of this clause (iv) shall not be implemented by the I-Bank more frequently than once every fifth year. Notwithstanding any other provision in this Article X, no removal of the Trustee shall take effect until a successor shall be appointed pursuant to the provisions of Section 10.09.

### **SECTION 10.09 Appointment of Successor Trustee.**

1. In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, a successor may be appointed by the I-Bank by a duly executed written instrument signed by an Authorized Officer of the I-Bank, but if the I-Bank does not appoint a successor Trustee within forty-five (45) days then by the Holders of a majority in principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the I-Bank, by an instrument or concurrent instruments in writing signed and acknowledged by such Bondholders or by their attorneys-in-fact duly authorized and delivered to such successor Trustee, notification thereof being given to the I-Bank and the predecessor Trustee. After such appointment of a successor Trustee, the I-Bank shall mail notice of any such appointment made by it or the Bondholders to the Holders of the Bonds then Outstanding.

2. If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within forty-five (45) days after the Trustee shall have given to the I-Bank written notice as provided in Section 10.07 or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, the Trustee or the Holder of any Bond may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

3. Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a bank or trust company or national banking association in good standing, qualified to do business in the State of New Jersey (to the extent such requirement is applicable to such Trustee), duly authorized to exercise trust powers, subject to examination by federal or state authority, having capital stock and surplus aggregating at least \$50,000,000, if there be such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture.

**SECTION 10.10 Transfer of Rights and Property to Successor Trustee.** Any successor Trustee appointed pursuant to this Indenture shall execute, acknowledge and deliver to its predecessor Trustee, and also to the I-Bank, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the written request of the I-Bank, or of the successor Trustee, execute, acknowledge and deliver such instrument of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it pursuant to this Indenture, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the I-Bank be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the I-Bank. Any such successor Trustee shall promptly notify the Paying Agents of its appointment as Trustee.

**SECTION 10.11 Merger or Consolidation.** Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business; provided, such company (i) shall be a

bank or trust company organized under the laws of any state of the United States or a national banking association and (ii) shall be authorized by law to perform all the duties imposed upon it by this Indenture, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act.

**SECTION 10.12 Adoption of Authentication.** In case any of the Bonds contemplated to be issued pursuant to this Indenture shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Bonds and deliver such Bonds so authenticated; and in case any of the said Bonds shall not have been authenticated, any successor Trustee may authenticate such Bonds in the name of the predecessor Trustee, or in the name of the successor Trustee, and in all such cases such certificate shall have the full force which it is anywhere in said Bonds or in this Indenture provided that the certificate of the Trustee shall have.

**SECTION 10.13 Resignation or Removal of Paying Agent; Appointment of Successor.**

1. Any Paying Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least one hundred twenty (120) days written notice to the I-Bank, the Trustee and the other Paying Agents. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Trustee and signed by an Authorized Officer of the I-Bank. Any successor Paying Agent shall be appointed by the I-Bank with the written approval of the Trustee and shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, having capital stock and surplus aggregating at least \$50,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all duties imposed upon it by this Indenture.

2. In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or if there be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Paying Agent, the Trustee shall act as such Paying Agent.

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## ARTICLE XI

### AMENDMENTS

**SECTION 11.01 Supplemental Indentures Effective Upon Notice to Bondholders.** For any one or more of the following purposes and at any time or from time to time, the I-Bank and the Trustee may enter into a Supplemental Indenture, which, upon the notice to Bondholders, shall be fully effective in accordance with its terms:

(a) To close this Indenture against, or provide limitations and restrictions contained in Indenture on, the authentication and delivery of Bonds;

(b) To add to the duties, covenants, obligations and agreements of the I-Bank in this Indenture, other duties, covenants, obligations and agreements to be observed and performed by the I-Bank which are not contrary to or inconsistent with this Indenture as theretofore in effect;

(c) To add to the limitations and restrictions in this Indenture, other limitations and restrictions to be observed by the I-Bank which are not contrary to or inconsistent with this Indenture as theretofore in effect;

(d) To authorize Bonds of a Series and, in connection therewith, specify and determine the matters and things referred to in Article II, and also any other matters and things relative to such Bonds including whether to issue Bonds in book entry forms, which are not contrary to or inconsistent with this Indenture as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination contained in Article II at any time prior to the first authentication and delivery of such Bonds;

(e) To confirm as further assurance, any security interest, pledge or assignment pursuant to this Indenture, and the subjection of the Revenues or of any other moneys, securities or funds to any security interest, pledge or assignment created or to be created by this Indenture;

(f) To modify any of the provisions of this Indenture in any other respect whatever, provided that (i) such modification shall be, and be expressed to be, effective only after all Bonds of each Series Outstanding at the date of the adoption of such Supplemental Indenture shall cease to be Outstanding, and (ii) such Supplemental Indenture shall be specifically referred to in the text of all Bonds of any Series authenticated and delivered after the date of the adoption of such Supplemental Indenture and of Bonds issued in exchange therefor or in place thereof;

(g) To modify any of the provisions of this Indenture in any respect provided that the modifications affect only Bonds issued subsequent to the date of such modifications; or

(h) To comply with the provisions of any federal or state securities law, including, without limitation, the Trust Indenture Act of 1939, as amended, or to comply with Section 103 of the Code, as amended, replaced or substituted.

If the Supplemental Indenture entered by the I-Bank pursuant to this Section materially increases the duties and responsibilities of the Trustee hereunder, the I-Bank shall reasonably compensate the Trustee for such materially increased duties and responsibilities.



**SECTION 11.02 Supplemental Indentures Effective Upon Filing of Opinion of Bond Counsel.** For any one or more of the following purposes and at any time or from time to time, the I-Bank and the Trustee may enter into a Supplemental Indenture, which, upon (i) the provision of notice to Bondholders and (ii) the filing with the I-Bank and the Trustee of an opinion of Bond Counsel to the effect that such Supplemental Indenture will not adversely affect the exclusion from gross income of the interest on the Tax-Exempt Bonds for federal income tax purposes, shall be fully effective in accordance with its terms:

(a) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provisions in this Indenture;

(b) To insert such provisions clarifying matters or questions arising pursuant to this Indenture as are necessary or desirable and are not contrary to or inconsistent with this Indenture as theretofore in effect;

(c) In connection with the appointment by the I-Bank of a fiduciary other than the Trustee to perform any of the duties and/or services to be performed by the Trustee pursuant to Section 5.04 hereof, to the extent such modification or amendment of this Indenture which will not have a material adverse effect on the interests of Bondholders; or

(d) To make any other modification or amendment of this Indenture which will not have a material adverse effect on the interests of Bondholders.

In making any determination under this Section 11.02, the Trustee may conclusively rely upon an opinion of Bond Counsel.

**SECTION 11.03 Supplemental Indenture Effective With Consent of Bondholders.** At any time or from time to time, the I-Bank and the Trustee may enter into a Supplemental Indenture subject to consent by the Bondholders in accordance with and subject to the provisions of Sections 11.06 and 11.07, which Supplemental Indenture, upon (i) compliance with the provisions of said Sections 11.06 and 11.07 and (ii) the filing with the I-Bank and the Trustee of an opinion of Bond Counsel to the effect that such Supplemental Indenture will not adversely affect the exclusion from gross income of the interest on the Tax-Exempt Bonds for federal income tax purposes, shall become fully effective in accordance with its terms as provided in said Section 11.07. Provided, however, that any Supplemental Indenture that by its terms only affects one or more Series of Bonds may be adopted subject to the consent of the Bondholders of the Series of Bonds so affected.

#### **SECTION 11.04 General Provisions.**

1. This Indenture shall not be modified or amended in any respect except by Supplemental Indenture as provided in and in accordance with and subject to the provisions of this Article XI. Nothing contained in this Article XI shall affect or limit the right or obligation of the I-Bank to adopt, make, do, execute, acknowledge or deliver any resolution, act or other instrument pursuant to the provisions of this Indenture or the right or obligation of the I-Bank to execute and deliver to any Trustee any instrument which elsewhere in this Indenture it is provided shall be delivered to said Trustee.

2. Any Supplemental Indenture referred to and permitted or authorized by Section 11.01 or 11.02 may be adopted by the I-Bank without the consent of any of the Bondholders, but shall become effective only on the conditions, to the extent and at the time provided in said Sections, respectively. The copy of every Supplemental Indenture when filed with the Trustee shall be accompanied by an opinion of Bond Counsel stating that such Supplemental Indenture has been duly and lawfully adopted in accordance

with the provisions of this Indenture, is authorized or permitted by this Indenture, and is valid and binding upon the I-Bank in accordance with its terms.

1. The Trustee is hereby authorized to accept the delivery of a certified copy of any Supplemental Indenture referred to and permitted or authorized by Sections 11.01, 11.02 or 11.03 and to make all further agreements and stipulations which may be therein contained, and the Trustee, in taking such action, shall be fully protected in relying on an opinion of Bond Counsel that such Supplemental Indenture is authorized or permitted by the provisions of this Indenture.

2. No Supplemental Indenture shall change or modify any of the rights or obligations of any Fiduciary without their written assent thereto.

**SECTION 11.05 Mailing.** Any provision in this Article for the mailing of a notice or other paper to Holders of Bonds shall be fully complied with if it is mailed, postage prepaid only, to each registered owner of Bonds then Outstanding at his address, if any, appearing upon the registry books of the I-Bank.

**SECTION 11.06 Powers of Amendment by Supplemental Indenture.** Unless otherwise permitted under Section 11.01 or Section 11.02, any modification or amendment of this Indenture and of the rights and obligations of the I-Bank and of the Holders of the Bonds thereunder, in any particular, may be made only by a Supplemental Indenture with the written consent (i) of the Holders of not less than two-thirds (2/3) in principal amount of the Bonds Outstanding at the time such consent is given, (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Holders of not less than two-thirds (2/3) in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given, and (iii) in case the modification or amendment changes the terms of any sinking fund installment, of the Holders of not less than two-thirds (2/3) in principal amount of the Bonds of the particular Series and maturity entitled to such Sinking Fund Installment and Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such obligation, or shall reduce the percentages or otherwise affect the classes of Bonds, the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Trustee without their written assent thereto. For the purposes of this Section, a Series shall be deemed to be affected by a modification or amendment of this Indenture if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series. The Trustee may in its discretion determine whether or not in accordance with the foregoing powers of amendment Bonds of any particular Series or maturity would be affected by any modification or amendment of this Indenture and any such determination shall be binding and conclusive on the I-Bank and all Holders of Bonds. In taking such action, the Trustee may rely upon the opinion of Bond Counsel. For purposes of this Section, the Holders of any Bonds may include the initial Holders thereof, regardless of whether such Bonds are being held for resale.

**SECTION 11.07 Consent of Bondholders.** The I-Bank may at any time adopt a Supplemental Indenture making a modification or amendment permitted by the provisions of Section 11.06 to take effect when and as provided in this Section. A copy of such Supplemental Indenture (or brief summary thereof or reference thereto in form approved by the Trustee), together with a request to Holders of Bonds for their consent thereto in form satisfactory to the Trustee, shall be mailed by the I-

Bank to Holders of Bonds (but failure to mail such copy and request shall not affect the validity of the Supplemental Indenture when consented to as in this Section provided). Such Supplemental Indenture shall not be effective unless and until there shall have been filed with the Trustee (a) the written consents of the Holders of the percentages of Outstanding Bonds specified in Section 11.06 and (b) an opinion of Bond Counsel addressed to the Trustee stating that such Supplemental Indenture has been duly and lawfully adopted and filed by the I-Bank in accordance with the provisions of this Indenture, is authorized or permitted by this Indenture, and is valid and binding upon the I-Bank and enforceable in accordance with its terms. It shall not be necessary that the consents of Holders of Bonds approve the particular form of wording of the proposed modification or amendment or of the proposed Supplemental Indenture effecting such modification or amendment, but it shall be sufficient if such consents approve the substance of the proposed amendment or modification. Each such consent shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section 12.02. A Certificate or Certificates executed by the Trustee and filed with the I-Bank stating that it has examined such proof and that such proof is sufficient in accordance with Section 12.02 shall be conclusive that the consents have been given by the Holders of the Bonds described in such Certificate or Certificates of the Trustee. Any such consent shall be binding upon the Holder of the Bonds giving such consent and, anything in Section 12.02 to the contrary notwithstanding, upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof) unless such consent is revoked in writing by the Holder of such Bonds giving such consent or a subsequent Holder thereof by filing with the Trustee, prior to the time when the written statement of the Trustee hereinafter in this Section 11.07 provided for is filed, such revocation and proof that such Bonds are held by the signer of such revocation in the manner permitted by Section 12.02. The fact that a consent has not been revoked may likewise be proved by a Certificate of the Trustee filed with the I-Bank to the effect that no revocation thereof is on file with the Trustee.

At any time after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Indenture, the Trustee shall make and file with the I-Bank a written statement that the Holders of such required percentages of such Bonds have filed such consents. Such written statements shall be conclusive that such consents have been so filed. At any time thereafter, notice stating in substance that the Supplemental Indenture (which may be referred to as a Supplemental Indenture adopted by the I-Bank on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this Section 11.07, may be given to Bondholders by the I-Bank by mailing such notice to Bondholders (but failure to mail such notice shall not prevent such Supplemental Indenture from becoming effective and binding as in this Section 11.07 provided). The I-Bank shall file with the Trustee proof of the mailing thereof. A record, consisting of the certificates or statements required or permitted by this Section 11.07 to be made by the Trustee, shall be proof of the matters therein stated. Such Supplemental Indenture making such amendment or modification shall be deemed conclusively binding upon the I-Bank, the Fiduciaries and the Holders of all Bonds at the expiration of forty (40) days after the filing with the Trustee of the proof of the mailings of such last-mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Indenture in a legal action or equitable proceeding for such purpose commenced within such forty (40) day period; provided, however, that any Fiduciary and the I-Bank during such forty (40) day period and any such further period during which any such action or proceeding may be pending shall be entitled in its absolute discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Indenture as it may deem expedient.

**SECTION 11.08 Modifications or Amendments by Unanimous Consent.** The terms and provisions of this Indenture and the rights and obligations of the I-Bank and of the Holders of the Bonds thereunder may be modified or amended in any respect upon the adoption and filing by the I-Bank of a Supplemental Indenture and the consent thereto of the Holders of all of the Bonds then Outstanding, such

consent to be given as provided in Section 11.07 except that no notice to Holders of Bonds either by mailing or publication shall be required; provided, however, that no such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary without the filing with the Trustee of the written assent thereto of such Fiduciary in addition to the consent of the Holders of Bonds.

**SECTION 11.09 Exclusion of Bonds.** Bonds owned or held by or for the account of the I-Bank shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Article XI, and the I-Bank shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Article. At the time of any consent or other action taken under this Article, the I-Bank shall furnish to the Trustee a Certificate of an Authorized Officer of the I-Bank, upon which the Trustee may rely, describing all Bonds so to be excluded.

**SECTION 11.10 Notation on Bonds.** Bonds authenticated and delivered after the effective date of any Supplemental Indenture pursuant to this Article XI may, and, if the I-Bank or the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the I-Bank and the Trustee as to any modification or amendment provided for in such Supplemental Indenture and, in that case upon demand of the Holder of any Bond Outstanding and upon presentation of any Bond for such purpose at the Principal Office of the Trustee, a suitable notation shall be made on such Bond. If the I-Bank or the Trustee shall so determine, new Bonds so modified as to conform, in the opinion of the Trustee and the I-Bank, to any modification or amendment contained in such Supplemental Indenture, shall be prepared, authenticated and delivered and upon demand of the Holder of any Bond then Outstanding shall be exchanged, without cost to such Bondholder, for Bonds of the same Series, principal amount, maturity and interest rate then Outstanding, upon surrender of such Bonds. Any action taken as in Article X or this Article XI provided shall be effective and binding upon all Bondholders notwithstanding that the notation is not endorsed on all Bonds.

**SECTION 11.11 Effect of Supplemental Indenture.** Upon the effective date of any Supplemental Indenture, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties, covenants, obligations and agreements pursuant to this Indenture of the I-Bank, the Trustee and all Holders of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

**SECTION 11.12 Amendment of Loan Agreements.** The I-Bank shall not supplement, amend, modify or terminate any Loan Agreement, or consent to any such supplement, amendment, modification or termination, without the written consent of the Trustee, which consent shall not be unreasonably withheld and, in response to such request for consent, the Trustee shall respond in writing to the I-Bank within thirty (30) days of receipt of such request. The Trustee shall give such written consent only if (a) (i) in the opinion of the Trustee, after such supplement, amendment, modification or termination is effective, such Loan Agreement shall continue to meet the requirements of Article VI of this Indenture or (ii) the Trustee first obtains the written consent of the Holders of a majority in aggregate principal amount of the Outstanding Bonds to such supplement, amendment, modification or termination, such written consent being obtained by the Trustee at the sole expense of the Borrower which is a party to the Loan Agreement which is the subject of the supplement, amendment, modification or termination and (b) the Trustee first obtains an opinion of Bond Counsel to the effect that such supplement, amendment, modification or termination will not adversely affect the exclusion from gross income of the interest on the Series 20\_\_ Bonds for federal income tax purposes. In making any determination under this Section 11.12, the Trustee may conclusively rely upon an opinion of Bond Counsel.

Notwithstanding any other provision in this Section, (a) the I-Bank may supplement, amend or modify any Loan Agreement without the consent of the Trustee or any Bondholder (i) for the purpose of amending, supplementing or modifying Section 2.02(p) of the Loan Agreement, and (ii) for the purpose of amending, supplementing or modifying Exhibit H to the Loan Agreement prior to the execution and delivery thereof, and (b) the I-Bank may terminate any Loan Agreement (subject to the termination provisions thereof) without the consent of the Trustee or any Bondholder in the event that all payment obligations thereunder have been satisfied by the respective Borrower in full.

**SECTION 11.13 Notice of Amendments.** Promptly after the adoption by the I-Bank of any Supplemental Indenture, the Trustee shall mail by first class mail, postage prepaid, a notice, setting forth in general terms the substance thereof, to the Bondholders of a Series of Bonds affected by such amendment. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

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## ARTICLE XII

### DEFEASANCE

#### SECTION 12.01 Defeasance of Bonds.

1. If the I-Bank shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Bonds of any Series the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated in the Bonds and in this Indenture, then the pledge of the Trust Estate, and all duties, covenants, agreements and other obligations of the I-Bank to the Bondholders of such Series, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by the I-Bank to be prepared and filed with the I-Bank and, upon the request of the I-Bank, shall execute and deliver to the I-Bank all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the I-Bank all moneys or securities held by it pursuant to this Indenture which are not required for the payment of principal or Redemption Price, if applicable, and interest due or to become due on Bonds of any Series not theretofore surrendered for such payment or redemption and any amounts owed to any Fiduciary. If the I-Bank shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of any Outstanding Bonds of any Series the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Indenture, such Bonds shall cease to be entitled to any lien, benefit or security pursuant to this Indenture, and all duties, covenants, agreements and obligations of the I-Bank to the Holders of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied. Notwithstanding any other provision in this Article XII, all duties, covenants, agreements and obligations of the I-Bank to the Holders relating to the exclusion of interest from gross income of the Holders of such Bonds for federal income tax purposes shall survive the defeasance of the Bonds.

2. Bonds (which can be an entire series or portion thereof) or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Paying Agents (through deposit by the I-Bank of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in subsection (1) of this Section. Subject to the provisions of subsections (3) through (5) of this Section, Outstanding Bonds of any Series shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in subsection (1) of this Section if (a) in case any of said Bonds are to be redeemed on any date prior to their stated maturities, the I-Bank shall have given to the Trustee instructions in writing accepted by the Trustee to mail notice of redemption of such Bonds (other than Bonds of a Series which have been purchased by the Trustee at the written direction of the I-Bank or purchased or otherwise acquired by the I-Bank and delivered to the Trustee as hereinafter provided prior to the mailing of such notice of redemption) on said date, (b) there shall have been deposited with the Trustee (i) either moneys in an amount which shall be sufficient, or Investment Securities (including any Investment Securities issued or held in book-entry form on the books of the Department of the Treasury of the United States) the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on such Series of Bonds on or prior to the redemption date or maturity date thereof, as the case may be, (ii) a defeasance opinion of Bond Counsel, and (iii) a verification report of an independent nationally recognized verification agent as to the matters set forth in clause (i), and (c) in the event such Series of Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the I-Bank shall have given the Trustee in form satisfactory to it instructions to mail, as soon as practicable, a notice to the Holders of such Bonds at their last addresses appearing upon the registry books at the close of business on the last business day of the month preceding the month for

which notice is mailed that the deposit required by (b) above has been made with the Trustee and that such Series of Bonds are deemed to have been paid in accordance with this Section 12.01 and stating such maturity or redemption date upon which moneys are expected, subject to the provisions of subsection (5) of this Section 12.01, to be available for the payment of the principal or Redemption Price, if applicable, of such Series of Bonds (other than Bonds which have been purchased by the Trustee at the direction of the I-Bank or purchased or otherwise acquired by the I-Bank and delivered to the Trustee as hereinafter provided prior to the mailing of the notice of redemption referred to in clause (a) hereof). Any notice of redemption mailed pursuant to the preceding sentence with respect to any Series of Bonds which constitutes less than all of the Outstanding Bonds of any maturity within a Series shall specify the letter and number or other distinguishing mark of each such Bond. The Trustee shall, as and to the extent necessary, apply moneys held by it pursuant to this Section 12.01 to the retirement of said Bonds in amounts equal to the unsatisfied balances of any Sinking Fund Installments with respect to such Bonds, all in the manner provided in this Indenture.

The Trustee shall, if so directed by the I-Bank (i) prior to the maturity date of Bonds deemed to have been paid in accordance with this Section 12.01 which are not to be redeemed prior to their maturity date or (ii) prior to the mailing of the notice of redemption referred to in clause (a) above with respect to any Bonds deemed to have been paid in accordance with this Section 12.01 which are to be redeemed on any date prior to their maturity, apply moneys deposited with the Trustee in respect of such Bonds and redeem or sell Investment Securities so deposited with the Trustee and apply the proceeds thereof to the purchase of such Bonds and the Trustee shall immediately thereafter cancel all such Bonds so purchased; provided, however, that the moneys and Investment Securities remaining on deposit with the Trustee after the purchase and cancellation of such Bonds shall be sufficient to pay when due the principal or Redemption Price, if applicable, and interest due or to become due on all Bonds in respect of which such moneys and Investment Securities are being held by the Trustee on or prior to the redemption date or maturity date thereof, as the case may be. If, at any time (i) prior to the maturity date of Bonds deemed to have been paid in accordance with Section 12.01 which are not to be redeemed prior to their maturity date or (ii) prior to the mailing of the notice of redemption referred to in clause (a) with respect to any Bonds deemed to have been paid in accordance with this Section 12.01 which are to be redeemed on any date prior to their maturity, the I-Bank shall purchase or otherwise acquire any such Bonds and deliver such Bonds to the Trustee prior to their maturity date or redemption date, as the case may be, the Trustee shall immediately cancel all such Bonds so delivered; such delivery of Bonds to the Trustee shall be accompanied by directions from the I-Bank to the Trustee as to the manner in which such Bonds are to be applied against the obligation of the Trustee to pay or redeem Bonds deemed paid in accordance with this Section 12.01. The directions given by the I-Bank to the Trustee referred to in the preceding sentence shall also specify the portion, if any, of such Bonds so purchased or delivered and canceled to be applied against the obligation of the Trustee to pay Bonds deemed paid in accordance with this Section 12.01 upon their maturity date or dates and the portion, if any, of such Bonds so purchased or delivered and canceled to be applied against the obligation of the Trustee to redeem Bonds deemed paid in accordance with this Section 12.01 on any date or dates prior to their maturity. In the event that on any date as a result of any purchases, acquisitions and cancellations of Bonds as provided in this Section 12.01 the total amount of moneys and Investment Securities remaining on deposit with the Trustee under this Section 12.01 is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of the remaining Bonds of such Series in order to satisfy clause (b) of this subsection 2 of Section 12.01, the Trustee shall, if requested by the I-Bank, pay the amount of such excess to the I-Bank free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing pursuant to this Indenture. Except as otherwise provided in this subsection 2 and in subsection 3 through subsection 5 of this Section 12.01, neither Investment Securities nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Investment Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, and interest on said Bonds; provided that

any cash received from such principal or interest payments on such Investment Securities deposited with the Trustee, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the I-Bank as received by the Trustee, free and clear of any trust, lien or pledge securing said Bonds or otherwise existing pursuant to this Indenture, and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested at the direction of the I-Bank in Investment Securities maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if applicable, and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the I-Bank, as received by the Trustee, free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing pursuant to this Indenture.

For the purposes of this Section, Investment Securities shall mean and include only (y) such securities as are described in clause (a) of the definition of “Investment Securities” in Section 1.01 which shall not be subject to redemption prior to their maturity other than at the option of the holder thereof or (z) upon compliance with the provisions of subsection 3 of this Section 12.01, such securities as are described in clause (a) of the definition of Investment Securities which are subject to redemption prior to maturity at the option of the issuer thereof on a specified date or dates.

1. Investment Securities described in clause (z) of subsection 2 of Section 12.01 may be included in the Investment Securities deposited with the Trustee in order to satisfy the requirements of clause (b) of subsection 2 of Section 12.01 only if, in making the determination as to whether the moneys and Investment Securities to be deposited with the Trustee would be sufficient to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on the Bonds which will be deemed to have been paid as provided in subsection 2 of Section 12.01, such determination is made both (i) on the assumption that the Investment Securities described in clause (z) were not redeemed at the option of the issuer prior to the maturity date thereof and (ii) on the assumptions that such Investment Securities were redeemed by the issuer thereof at its option on each date on which such option could be exercised, that as of such date or dates interest ceased to accrue on such Investment Securities and that the proceeds of such redemption were not reinvested by the Trustee.

2. In the event that after compliance with the provisions of subsection 3 of Section 12.01 the Investment Securities described in clause (z) of subsection 2 of Section 12.01 are included in the Investment Securities deposited with the Trustee in order to satisfy the requirements of clause (b) of subsection 2 of Section 12.01 and any such Investment Securities are actually redeemed by the issuer thereof prior to their maturity date, then the Trustee at the written direction of the I-Bank shall reinvest the proceeds of such redemption in Investment Securities, provided that the aggregate of the moneys and Investment Securities to be held by the Trustee, taking into account any changes in redemption dates or instructions to give notice of redemption given to the Trustee by the I-Bank in accordance with subsection 5 of Section 12.01, shall at all times be sufficient to satisfy the requirements of clause (b) of subsection 2 of Section 12.01.

3. In the event that after compliance with the provisions of subsection 3 of Section 12.01 the Investment Securities described in clause (z) of subsection 2 of Section 12.01 are included in the Investment Securities deposited with the Trustee in order to satisfy the requirements of clause (b) of subsection 2 of Section 12.01, then any notice of redemption to be published by the Trustee and any set of instructions relating to a notice of redemption given to the Trustee may provide, at the option of the I-Bank, that any redemption date or dates in respect of all of any portion of the Bonds to be redeemed on such date or dates may at the option of the I-Bank be changed to any other permissible redemption date or dates and that redemption dates may be established for any Bonds deemed to have been paid in accordance with this Section 12.01 upon their maturity date or dates at any time prior to the actual mailing of any applicable notice of redemption in the event that all or any portion of any Investment



Securities described in clause (z) of subsection 2 of this Section 12.01 have been called for redemption pursuant to an irrevocable notice of redemption or have been redeemed by the issuer thereof prior to the maturity date thereof; no such change of redemption date or dates or establishment of redemption date or dates may be made unless, taking into account such changed redemption date or dates or newly established redemption date or dates, the moneys and Investment Securities on deposit with the Trustee (including any Investment Securities deposited with the Trustee in connection with any reinvestment of redemption proceeds in accordance with subsection 5 of Section 12.01) pursuant to clause (b) of subsection 2 of Section 12.01 would be sufficient to pay when due the principal and Redemption Price, if applicable, and interest on all Bonds deemed to have been paid in accordance with subsection 2 of Section 12.01.

4. Anything in this Indenture to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Bonds which remain unclaimed for [three years] [cross reference the escheat law] years after the later of (i) the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption or (ii) the date of deposit of such moneys with the Fiduciary, shall be repaid by the Fiduciary to the I-Bank as its absolute property and free from the Trust Estate, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the I-Bank for the payment of such Bonds; provided, however, that before making any such payment to the I-Bank pursuant to the terms hereof, the Fiduciary shall, at the expense of the I-Bank, cause to be published at least twice, at an interval of not less than seven (7) days between publications, in the Authorized Newspapers, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than thirty (30) days after the date of the first publication of such notice, the balance of such moneys then unclaimed will be returned to the I-Bank.

Notwithstanding any other provision in Article XII of this Indenture, all duties, covenants, agreements and obligations of the I-Bank to the Holders relating to the exclusion of interest from gross income of the Holders of the Tax-Exempt Bonds for federal income tax purposes shall survive the defeasance of the Tax-Exempt Bonds.

## **SECTION 12.02 Evidence of Signatures and Ownership of Bonds.**

1. Any request, consent, revocation of consent or other instrument which this Indenture or any Supplemental Indenture may require or permit to be signed and executed by the Holders of Bonds of any Series may be in one or more instruments of similar tenor and shall be signed or executed by such Holders of Bonds in person or by their attorneys appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, shall be sufficient for any purpose of this Indenture or any Supplemental Indenture (except as otherwise therein expressly provided) if made in the following manner, or in any other manner satisfactory to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable. The fact and date of the execution by any Holder of any Bond or his attorney of such instruments may be proved by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate or affidavit shall also constitute sufficient proof of his authority.

2. The ownership of Bonds and the amount, numbers and other identification, and date of holding the same shall be proved by the registry books maintained by the Trustee.

3. Any request or consent by the Holder of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by the I-Bank or any Trustee in accordance therewith.

**SECTION 12.03 Moneys Held for Particular Bonds.** The amounts held by any Fiduciary for the payment of the interest, principal or Redemption Price due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Bonds entitled thereto.

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## ARTICLE XIII

### MISCELLANEOUS

**SECTION 13.01 Liability of I-Bank Limited to Trust Estate.** Notwithstanding anything contained in this Indenture or in the Bonds, the I-Bank shall not be required to advance any moneys derived from any source other than the Trust Estate for any of the purposes in this Indenture, whether for the payment of the principal or Redemption Price of, or interest on, the Bonds or for any other purpose of this Indenture. Nevertheless, the I-Bank may, but shall not be required to, advance for any of the purposes hereof any funds of the I-Bank that may be made available to it for such purposes.

**SECTION 13.02 Successor Is Deemed Included in All References to Predecessor.** Whenever in this Indenture either the I-Bank or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the duties, covenants, obligations and agreements contained in this Indenture by or on behalf of the I-Bank or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof, whether so expressed or not.

**SECTION 13.03 Limitation of Rights to Parties.** Nothing expressed or implied in this Indenture or in the Bonds is intended or shall be construed to give to any person other than the I-Bank, the Trustee, the Paying Agents and the Holders of Bonds any legal or equitable right, remedy or claims under or in respect of this Indenture or any duty, covenant, obligation, agreement, condition or provision therein or herein contained; and all such duties, covenants, obligations, agreements, conditions and provisions are and shall be for the sole and exclusive benefit of the I-Bank, the Trustee, the Paying Agents and the Holders of Bonds.

**SECTION 13.04 Waiver of Notice.** Whenever in this Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

**SECTION 13.05 Destruction of Bonds.** Whenever in this Indenture provision is made for the cancellation by the Trustee and the delivery to the I-Bank of any Bonds, unless otherwise requested in writing the I-Bank, in lieu of such cancellation and delivery, the Trustee shall destroy such Bonds (in the presence of an officer of the I-Bank, if the I-Bank shall so require), and deliver a Certificate of such destruction to the I-Bank.

**SECTION 13.06 Severability of Invalid Provisions.** If any one or more of the provisions contained in this Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Indenture or in the Bonds and such invalidity, illegality or unenforceability shall not affect any other provision of this Indenture, and this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The I-Bank hereby declares that it would have entered into this Indenture and each and every section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases of this Indenture may be held illegal, invalid or unenforceable.

**SECTION 13.07 Notices.** Any notices, certificates or other communications required or permitted to be given herein shall be in writing (unless otherwise specifically required or permitted herein) and shall be sufficiently given and shall be deemed given when hand delivered or mailed by

registered or certified mail, postage prepaid (unless otherwise specifically required or permitted herein) to the I-Bank, the Trustee, and the Paying Agent at the addresses set forth below:

I-Bank: New Jersey Infrastructure Bank  
3131 Princeton Pike  
Building 4, Suite 216  
Lawrenceville, New Jersey 08648  
Attention: Executive Director

Trustee: [\_\_\_\_\_  
Attention: \_\_\_\_\_]

Paying Agent: [\_\_\_\_\_  
Attention: \_\_\_\_\_]

The I-Bank, the Trustee, and the Paying Agent may designate any further or different address to which subsequent notices and communications shall be sent by giving notice thereof to the other parties hereto.

**SECTION 13.08 Disqualified Bonds.** In determining whether the Holders of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver pursuant to this Indenture, Bonds that are owned or held by or for the account of the I-Bank or any Borrower, or by any other primary or secondary obligor on any Loan Agreement, or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the I-Bank or any Borrower or any other primary or secondary obligor on any Loan Agreement, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Bonds so owned that have been pledged in good faith may be regarded as Outstanding for the purpose of this Section if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the I-Bank or any Borrower or any other primary or secondary obligor on any Loan Agreement. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of Counsel shall be full protection to the Trustee.

The determination to be made hereunder by the Trustee with respect to Bonds to be disregarded and deemed not to be Outstanding shall be based upon information that has been brought to the attention of the Trustee. There is no affirmative duty on the part of the Trustee to undertake any investigation in determining Bonds to be disregarded and deemed not to be Outstanding.

**SECTION 13.09 Funds and Accounts.** Any fund, account or subaccount required by this Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund, an account or a subaccount, and, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, may be treated either as a fund, an account or a subaccount; but all such records with respect to all such funds, accounts or subaccounts shall at all times be maintained in accordance with generally accepted accounting principles, to the extent practicable, or some other accounting standard recognized by the State or acceptable to the I-Bank.

**SECTION 13.10 Waiver of Personal Liability.** No member, officer, agent or employee of the I-Bank shall be individually or personally liable for the payment of the principal or Redemption Price of, or interest on, the Bonds or be subject to any personal liability or accountability by reason of the

issuance thereof, all such liability, if any, being expressly waived and released by each Holder of Bonds by the acceptance of such Bonds, but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law or by this Indenture.

**SECTION 13.11 I-Bank Protected in Acting in Good Faith.** In the exercise of the powers of the I-Bank and its members, officers, employees and agents pursuant to this Indenture, the Loan Agreements or any other document executed in connection with the Bonds, the I-Bank shall not be accountable to any Borrower, the Trustee, the Paying Agent, or any Holder for any action taken or omitted by it or its members, officers, employees and agents in good faith and believed by it or them to be authorized or within the discretion or rights or powers conferred.

**SECTION 13.12 Business Days.** Except as otherwise specifically provided herein, if any date specified herein for the payment of any Bond or the performance of any act shall not be a Business Day at the place of payment or performance, such payment or performance shall be made on the next succeeding Business Day with the same effect as if made on such date, and in case any payment of the principal or Redemption Price of or interest on any Bond shall be due on a date that is not a Business Day, interest on such principal amount shall cease to accrue on the date on which such payment was due if such payment is made on the immediately succeeding Business Day.

**SECTION 13.13 Counterparts.** This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. Both parties hereto may sign the same counterpart or each party hereto may sign a separate counterpart.

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IN WITNESS WHEREOF, the New Jersey Infrastructure Bank has caused this Indenture to be signed in its name by its authorized officers, and [\_\_\_\_\_], in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its duly authorized officer all as of the day and year first above written.

**ATTEST:**

**NEW JERSEY INFRASTRUCTURE BANK**

By: \_\_\_\_\_

\_\_\_\_\_  
David E. Zimmer  
Assistant Secretary

[\_\_\_\_\_] , as Trustee

**ATTEST:**

By: \_\_\_\_\_

Name:

Title:

\_\_\_\_\_  
Name:  
Title:

**EXHIBIT A****[FORM OF SERIES 20\_\_ BOND]****UNITED STATES OF AMERICA****STATE OF NEW JERSEY****NEW JERSEY INFRASTRUCTURE BANK****ENVIRONMENTAL INFRASTRUCTURE BONDS, SERIES 20\_\_ (GREEN BONDS)****NO. R-\_\_****CUSIP: \_\_\_\_\_ -\_\_****Interest Rate****Maturity Date****Dated Date****Authentication Date**

\_\_\_\_\_%

September 1, \_\_\_\_

\_\_\_\_\_, 20\_\_

\_\_\_\_\_, 20\_\_

**Registered Owner: CEDE & CO.****Principal Sum: \_\_\_\_\_ (\$ \_\_, \_\_)**

**NEW JERSEY INFRASTRUCTURE BANK** (the “I-Bank”), a public body corporate and politic and an instrumentality of the State of New Jersey created and existing under the laws of the State of New Jersey, hereby acknowledges itself indebted to, and for value received hereby promises to pay to, the Registered Owner stated hereon or its registered assigns, on the Maturity Date stated hereon, but solely from the funds pledged therefor, upon presentation and surrender of this bond at the Principal Office of [\_\_\_\_\_] (such bank and any successors thereto being herein called the “Trustee” and “Paying Agent”), the Principal Sum stated hereon in any coin or currency of the United States of America that at the time of payment is legal tender for the payment of public and private debts, and to pay from such pledged funds on March 1 and September 1 in each year, commencing [March][September] 1, 20\_\_, until the I-Bank’s obligation with respect to the payment of such Principal Sum shall be discharged to the Registered Owner hereof, interest from the Dated Date hereof on such Principal Sum by check or draft of the Trustee mailed to such Registered Owner who shall appear as of the fifteenth (15th) day (whether or not such day shall be a Business Day) of the month immediately preceding such interest payment date on the books of the I-Bank maintained by the Trustee. However, so long as the Series 20\_\_ Bonds (as hereinafter defined) are held in book-entry-only form pursuant to the Indenture (as hereinafter defined), the provisions of the Indenture governing such book-entry-only form shall govern repayment of the principal or Redemption Price, if any, of and interest on the Series 20\_\_ Bonds.

This bond is one of a duly authorized Series of Bonds of the I-Bank designated “Environmental Infrastructure Bonds, Series 20\_\_ (Green Bonds)” (herein called the “Series 20\_\_ Bonds”), and issued in the aggregate principal amount of \$[\_\_\_\_\_] under and in full compliance with: (i) the Constitution and statutes of the State of New Jersey, including, without limitation, the “New Jersey Infrastructure Trust Act”, constituting chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey, as amended and supplemented (herein called the “Act”), (ii) a resolution of the I-Bank, duly adopted on March 11, 2021, authorizing and approving, among other things, the Indenture (as defined herein), and (iii) the Indenture of Trust, dated \_\_\_\_\_, 20\_\_, by and between the I-Bank and the Trustee, as the same may be amended or supplemented from time to time in accordance with its terms (herein called the “Indenture”).

All capitalized terms used but not defined herein shall have the meanings set forth in the Indenture as if fully set forth herein.

As provided in the Indenture, the Series 20\_\_ Bonds and all other bonds issued on a parity basis with the Series 20\_\_ Bonds under the Indenture (herein collectively called the “Bonds”) are direct and special obligations of the I-Bank payable solely, subject to the following sentence, from and secured (as to payment of principal or Redemption Price, if any, of and interest on) by the Trust Estate, all in accordance with their terms and the terms and conditions of the Indenture, subject only to the provisions of the Indenture permitting the application of the Trust Estate for the purposes and upon the terms and conditions set forth in the Indenture. The principal or Redemption Price, if any, of and interest on the Series 20\_\_ Bonds are additionally secured by moneys held by the Master Program Trustee in the Master Program Trust Account to the extent set forth in the Master Program Trust Agreement. The Trust Estate under the Indenture includes the Loan Agreements (with certain exceptions set forth in the Indenture), any other Revenues and all other funds and accounts established under the Indenture (other than the Operating Expense Fund, the Project Fund, and the Rebate Fund), including Investment Securities, as applicable, held in any such Fund thereunder, together with all proceeds and revenues of the foregoing, all of the I-Bank’s right, title and interest in and to the foregoing and all other moneys, securities or funds pledged for the payment of the principal or Redemption Price, if any, of and interest on the Bonds in accordance with the terms and provisions of the Indenture. Copies of the Indenture are on file at the office of the I-Bank and at the above-mentioned office of the Trustee. Reference is hereby made to the Act and to the Indenture and any and all supplements thereto and modifications and amendments thereof for a description of the pledge and assignment and covenants securing the Bonds, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the holders of the Bonds with respect thereto, the terms and conditions upon which the Bonds are issued and may be issued thereunder, the terms and provisions upon which this bond shall cease to be entitled to any lien, benefit or security under the Indenture and for all of the other terms and provisions thereof. All duties, covenants, agreements and obligations of the I-Bank under the Indenture may be discharged and satisfied at or prior to the maturity or redemption, if any, of this bond if moneys or certain specified securities shall have been deposited with the Trustee, all in accordance with the terms and provisions of the Indenture.

As provided in the Indenture, Bonds may be issued from time to time pursuant to Supplemental Indentures in one or more Series in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as in the Indenture provided. Although the aggregate principal amount of Bonds that may be issued under the Indenture is not limited, and all Bonds issued and to be issued under the Indenture are and will be equally secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in the Indenture, the aggregate amount of bonds that may be issued by the I-Bank is currently limited by the Act. The I-Bank makes no representation as to whether this limitation on the aggregate principal amount of bonds issued by the I-Bank under the Act will continue to restrict the future issuance of bonds by the I-Bank under the Act.

To the extent and in the manner permitted by the terms of the Indenture, the provisions of the Indenture or any Supplemental Indenture amendatory thereof or supplemental thereto may be modified or amended by the I-Bank with the written consent of the holders of at least two-thirds (2/3) in aggregate principal amount of the Bonds Outstanding under the Indenture at the time such consent is given, and, in case less than all of the several Series of Bonds then Outstanding are affected thereby, with such consent of at least two-thirds (2/3) in aggregate principal amount of the Bonds of each Series so affected and Outstanding; *provided, however*, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding under the Indenture, the consent of the holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of the calculation of Outstanding Bonds. No such modification or amendment shall permit a change in the terms of redemption, if any (including Sinking Fund



Installments), or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or Redemption Price, if any, thereof or in the rate of interest thereon without the consent of the holder of such Bond, nor shall it reduce the percentages or otherwise affect the classes of Bonds the consent of the holders of which is required to effect any such modification or amendment, nor shall it change or modify any of the rights or obligations of the Trustee or of the Paying Agent without its written assent thereto.

This bond is transferable, as provided in the Indenture, only upon the books of the I-Bank kept for that purpose at the above-mentioned office of the Trustee, as bond registrar, by the Registered Owner hereof in person, or by such Registered Owner's attorney duly authorized in writing, upon surrender of this bond together with a written instrument of transfer satisfactory to the bond registrar duly executed by the Registered Owner or such Registered Owner's duly authorized attorney, and thereupon a new fully registered bond or bonds in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Indenture upon payment of the charges therein prescribed. The I-Bank, the Trustee and the Paying Agent may deem and treat the Registered Owner as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or Redemption Price, if any, hereof and the interest due hereon and for all other purposes.

The Series 20\_\_ Bonds maturing on or before September 1, [20\_\_] shall not be subject to redemption prior to their respective stated maturity dates. The Series 20\_\_ Bonds maturing on or after September 1, [20\_\_] shall be subject to redemption prior to their respective stated maturity dates, on or after September 1, [20\_\_], at the option of the I-Bank, upon the terms set forth in the Indenture, either in whole or in part, and if in part by lot within any maturity or maturities determined by the I-Bank, on any date, upon the payment of 100% of the principal amount thereof and accrued interest thereon to the date fixed for redemption.

[None of the Series 20\_\_ Bonds are subject to mandatory sinking fund redemption prior to their respective stated maturities.] [The Series 20\_\_ Bonds due September 1, [\_\_\_\_] and September 1, [\_\_\_\_] are subject to mandatory sinking fund redemption prior to their respective stated maturities, upon the surrender thereof and through selection by lot by the Trustee and upon the giving of notice as provided in the Indenture, by payment of the following "Sinking Fund Installments", on September 1, in each year set forth below, at a Redemption Price which is equal to 100% of the principal amount thereof plus interest accrued to the redemption date, in the following aggregate principal amounts in the following years:

<u>Year</u>	<u>Principal Amount</u>
-------------	-------------------------

<u>Year</u>	<u>Principal Amount</u>
-------------	-------------------------

\* Final maturity]

The Series 20\_\_ Bonds are payable upon redemption at the above-mentioned office of the Paying Agent. Notice of redemption, setting forth the place of payment, shall be mailed by the Trustee via first

class mail, postage prepaid, not less than thirty (30) nor more than forty-five (45) days prior to the redemption date, to the registered owners of any Series 20\_\_ Bonds or portions thereof to be redeemed at their last addresses, if any, appearing upon the I-Bank's registry books, all in the manner and upon the terms and conditions set forth in the Indenture. If notice of redemption shall have been mailed as aforesaid, the Series 20\_\_ Bonds or portions thereof specified in said notice shall become due and payable on the redemption date therein fixed, and if, on the redemption date, moneys for the redemption of all of the Series 20\_\_ Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, then from and after the redemption date interest on such Series 20\_\_ Bonds or portions thereof so called for redemption shall cease to accrue and be payable. Failure of the registered owner of any Series 20\_\_ Bonds to be redeemed to receive any such notice shall not affect the validity of the proceedings for the redemption of such Series 20\_\_ Bonds.

The principal or Redemption Price, if any, of and interest on the Series 20\_\_ Bonds are payable by the I-Bank solely from the Trust Estate, and neither the State of New Jersey nor any political subdivision thereof, other than the I-Bank (but solely to the extent of the Trust Estate), is obligated to pay the principal or Redemption Price, if any, of or interest on this bond and the issue of which it is one, and neither the full faith and credit nor the taxing power of the State of New Jersey or any political subdivision thereof is pledged to the payment of the principal or Redemption Price, if any, of or interest on this bond or the issue of which it is one.

It is hereby certified and recited that all conditions, acts and things required by law and the Indenture to exist, to have happened and to have been performed precedent to and in the issuance of this bond exist, have happened and have been performed, and the Series of Bonds of which this is one, together with all other indebtedness of the I-Bank, comply in all respects with the applicable laws of the State of New Jersey, including, without limitation, the Act.

This bond shall not be entitled to any benefit under the Indenture or be valid or become obligatory for any purpose until this bond shall have been authenticated by the execution by the Trustee of the Trustee's Certificate of Authentication hereon.

**IN WITNESS WHEREOF, NEW JERSEY INFRASTRUCTURE BANK** has caused this bond to be executed in its name and on its behalf by the manual or facsimile signature of its Chairperson, Vice-Chairperson or other Authorized Officer and its seal to be impressed, imprinted, engraved or otherwise reproduced hereon and attested by the manual or facsimile signature of its Secretary or Assistant Secretary, all as of the Dated Date hereof.

**NEW JERSEY INFRASTRUCTURE BANK**

**By:** \_\_\_\_\_

**[SEAL]**

**ATTEST:**

\_\_\_\_\_  
**Assistant Secretary**

**[FORM OF CERTIFICATE OF AUTHENTICATION ON SERIES 20\_\_ BONDS]**

**TRUSTEE'S CERTIFICATE OF AUTHENTICATION**

This bond is one of the Series 20\_\_ Bonds delivered pursuant to the within-mentioned Indenture.

[\_\_\_\_\_] ,  
**as Trustee**

By: \_\_\_\_\_  
**Authorized Signatory**

The following abbreviations, when used in the inscription on this bond, shall be construed as though they were written out in full according to applicable laws or regulations (additional abbreviations may also be used though not in the following list):

TEN COM – as tenants in common

TEN ENT – as tenants by the entireties

JT TEN – as joint tenants with  
right of survivorship  
and not as tenants in common

UNIF GIFT MIN ACT

\_\_\_\_\_ Custodian \_\_\_\_\_

(Cust) (Minor)

under Uniform Gifts to Minors Act  
(State)

### ASSIGNMENT

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE (FOR COMPUTER RECORD ONLY): \_\_\_\_\_

**FOR VALUE RECEIVED**, the undersigned hereby sells, assigns and transfers unto

(Please Print or Typewrite Name and Address of Transferee)

\_\_\_\_\_  
the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints

\_\_\_\_\_, Attorney, to transfer the within  
bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated:

Signature Guaranty:

Signature:

\_\_\_\_\_  
NOTICE: Signature(s) must  
be guaranteed by a member  
firm of the New York Stock  
Exchange or a commercial  
bank, trust company,  
national bank association  
or other banking institution  
incorporated under the laws of  
the United States or a state  
of the United States.

\_\_\_\_\_  
NOTICE: The signature of this  
Assignment must correspond with the  
name that appears upon the first  
page of the within bond in every  
particular, without alteration or  
enlargement or any change whatsoever.

**EXHIBIT B**

**Form of I-Bank Continuing Disclosure Agreement**

## EXHIBIT C

NEW JERSEY INFRASTRUCTURE BANK  
EXTENDABLE COMMERCIAL PAPER DEALER AGREEMENT

THIS DEALER AGREEMENT (this “Agreement”) is entered into as of \_\_\_\_\_ 1, 2021, by and between the New Jersey Infrastructure Bank (the “Issuer”) and Morgan Stanley & Co. LLC (the “Dealer”).

WHEREAS, the Issuer proposes to issue its New Jersey Infrastructure Bank Environmental Infrastructure Extendable Commercial Paper Notes [(Green Notes)], Series 2021A (the “Series 2021A ECP Notes”) under and pursuant to the provisions of an Indenture of Trust dated as of \_\_\_\_\_ 1, 2021 (the “ECP Indenture”) between the Issuer and [\_\_\_\_\_] , as trustee (the “Trustee”); and

WHEREAS, the Dealer has agreed to act as a dealer for the Series 2021A ECP Notes and to perform the duties imposed upon the Dealer by the ECP Indenture and this Agreement with respect to the Series 2021A ECP Notes.

NOW, THEREFORE, for and in consideration of the covenants herein made, and subject to the terms and conditions herein set forth, the parties hereto, intending to be legally bound, agree as follows:

Section 1. Definitions. All capitalized terms not otherwise defined herein shall have the same meaning given to that term in the ECP Indenture or the Issuing and Paying Agent Agreement dated as of \_\_\_\_\_ 1, 2021 (the “Issuing and Paying Agent Agreement”), between the Issuer and \_\_\_\_\_, as Issuing and Paying Agent (the “Issuing and Paying Agent”), as such agreement may be modified, amended or otherwise supplemented from time to time.

Section 2. Appointment of Dealer; Acceptance. Subject to the terms and conditions set forth in the ECP Indenture and this Agreement, the Issuer hereby appoints the Dealer as its dealer for the Series 2021A ECP Notes, and the Dealer hereby accepts such appointment and accepts and agrees to perform the duties and obligations imposed upon it as Dealer under this Agreement and the ECP Indenture, subject to the terms, conditions and limitations set forth in this Agreement.

Section 3. Sale and Purchase of Series 2021A ECP Notes.

(a) The Dealer and the Issuer agree that any Series 2021A ECP Notes which the Dealer may purchase or for which the Dealer may arrange the sale will be purchased or sold on the terms and conditions and in the manner provided in this Agreement and the ECP Indenture. The Dealer agrees that it shall not purchase or arrange the sale of any Series 2021A ECP Notes following the receipt by it of a Non-Issuance Notice or other written notice from the Issuer instructing it not to



issue Series 2021A ECP Notes, until such time as such instruction is revoked by written notice from the Issuer.

(b) The Series 2021A ECP Notes shall be issued by the Issuer in an aggregate principal amount not to exceed \$150,000,000.00 outstanding at any time. No Series 2021A ECP Notes may be outstanding after \_\_\_\_\_ 1, 20\_\_\_. Each of the Series 2021A ECP Notes shall (a) be issued in the denomination of \$100,000 or any integral multiple of \$1,000 in excess of \$100,000; (b) have an Original Maturity Date, which date shall be a Business Day and shall not be less than one day and not greater than 120 days after the Issue Date; (c) shall have an Extended Maturity Date (when the option is exercised or deemed exercised by the Issuer to extend the maturity past the Original Maturity Date), which date shall be a Business Day that is no later than 270 days after its Issue Date; (d) not contain any condition of redemption or right to prepay prior to the Original Maturity Date but may be subject to redemption any time after the Original Maturity Date as provided in the ECP Indenture; (e) bear such interest rates as shall be agreed upon by the Dealer and the Issuer, as set forth in Section 4 below, or otherwise determined in accordance with the ECP Indenture; and (d) not contain any provision for extension, renewal or automatic “rollover” except as expressly provided herein and in the ECP Indenture. The Series 2021A ECP Notes shall be issued in the ordinary course of the Issuer’s business.

#### Section 4. Transactions in Series 2021A ECP Notes.

(a) All transactions in Series 2021A ECP Notes between the Dealer and the Issuer shall be in accordance with the ECP Indenture and this Agreement, and the custom and practice in the commercial paper market to the extent such custom and practice is not inconsistent with the terms and provisions of the ECP Indenture.

(b) As early as possible, but not later than 12:30 p.m. prevailing New York, New York time, on the day on which any Series 2021A ECP Notes are to be issued or sold hereunder, the Dealer shall notify the Issuer and the Agent of the confirmed terms of the principal amounts, maturities, prices and interest rates at which the Dealer has purchased and/or will arrange the sale of the Series 2021A ECP Notes (as applicable), and Dealer shall provide the Issuer with any other information required for the Issuer or the Dealer to deliver such Series 2021A ECP Notes. As long as the terms of the Series 2021A ECP Notes conform to the direction from the Issuer in any standing letter of instructions then in effect, the Dealer shall not be required to obtain additional direction or confirmation from the Issuer. In the absence of any standing letter of instructions, or, in the event that the Issuer determines to change such instructions, the Issuer must confirm the terms of the transactions proposed by the Dealer not later than 12:00 p.m. prevailing New York, New York time on the Business Day immediately preceding the day on which such Series 2021A ECP Notes are to be sold. Pursuant to Section 6 hereof the Dealer shall only be obligated to purchase or arrange the sale of any Series 2021A ECP Notes when it has agreed to purchase or arrange the sale of such Series 2021A ECP Notes and the Issuer has agreed thereto in accordance with the provisions of this Section 4(b). (A form of letter of instructions is attached hereto as Exhibit A)

(c) Not later than 12:30 p.m. prevailing New York, New York time on the date of each transaction, the Dealer shall (i) confirm each transaction, if any, made with or arranged by Dealer and (ii) notify the Issuer, the Indexing Agent, and the Issuing and Paying Agent of the difference, if any, between the amount of maturing Series 2021A ECP Notes, together with the interest payment due thereon, and the amount of Series 2021A ECP Notes which the Dealer has arranged to sell. Such confirmations or notifications shall be delivered electronically or by telephone (and confirmed in writing which may be electronically) to the Issuer and the Issuing and Paying Agent from the Dealer and to the Dealer from the Issuer in the customary manner of each, as applicable.

Section 5. Payment and Delivery of the Series 2021A ECP Notes. The Dealer shall pay for the Series 2021A ECP Notes, if any, purchased by the Dealer or sold by the Dealer in immediately available funds in the manner provided for in the Issuing and Paying Agent Agreement on the Business Day such Series 2021A ECP Notes are delivered to the Dealer. All Series 2021A ECP Notes will be delivered to The Depository Trust Company ("DTC") in accordance with the Issuing and Paying Agent Agreement.

Section 6. Dealing in Series 2021A ECP Notes by the Dealer: No Obligation to Purchase Series 2021A ECP Notes. Notwithstanding anything to the contrary contained herein:

(a) The Dealer, in its individual capacity, may in good faith buy, sell, own, hold and deal in any of the Series 2021A ECP Notes, including, without limitation, any Series 2021A ECP Notes offered and sold by the Dealer pursuant to this Agreement, and may join in any action which any owner of the Series 2021A ECP Notes may be entitled to take with like effect as if it did not act in any capacity hereunder. The Dealer may sell any of the Series 2021A ECP Notes at prices above par, at any time. The Dealer, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Issuer and may act as depository, account party, or agent for any committee or body of owners of the Series 2021A ECP Notes or other obligations of the Issuer as freely as if it did not act in any capacity hereunder.

(b) Nothing in this Agreement shall be deemed to constitute the Dealer as an underwriter of the Series 2021A ECP Notes or to obligate the Dealer to purchase any Series 2021A ECP Notes for its own account at any time.

(c) While the Dealer has and shall have no obligation to purchase the Series 2021A ECP Notes from the Issuer or to arrange any sale of the Series 2021A ECP Notes for the account of the Issuer, the parties hereto agree that in any case where the Dealer purchases Series 2021A ECP Notes from the Issuer, or arranges for the sale of Series 2021A ECP Notes by the Issuer, such Series 2021A ECP Notes will be purchased or sold by the Dealer in reliance on the representations, warranties, covenants and agreements of the Issuer contained herein or made pursuant hereto and on the terms and conditions and in the manner provided herein and in the ECP Indenture and the Issuing and Paying Agent Agreement.

Section 7. Deliverable Obligations of Issuer; Deliverable Obligations of Dealer.

The Issuer agrees that, on a date mutually acceptable to the Issuer and the Dealer or prior to the Issue Date of the Series 2021A ECP Notes first issued under the ECP Indenture (the “Closing Date”), the Issuer shall deliver to the Dealer:

(a) A certificate signed by an Authorized Officer of the Issuer (as defined in the ECP Indenture) (i) setting forth a list of the officers or employees of the Issuer authorized to act on behalf of the Issuer to effect the sale of the Series 2021A ECP Notes (the “Authorized Representatives”) and (ii) certifying as to the incumbency of those Authorized Representatives authorized to sign Series 2021A ECP Notes on the Issuer’s behalf and containing the true signatures of each of such persons. The Dealer may rely upon such authorization until otherwise notified in writing by the Issuer;

(b) The opinion of Bond Counsel to the Issuer (“Bond Counsel”) with respect to the validity and tax status of the Series 2021A ECP Notes, addressed to the Dealer, dated the Closing Date, substantially in the form attached to the Offering Memorandum (as defined herein);

(c) A supplemental opinion of Bond Counsel addressed to the Dealer, dated the Closing Date, substantially to the effect that:

(i) [the descriptions and statements concerning, and summarizing provisions of, the Series 2021A ECP Notes, the ECP Indenture, the ECP Resolution, the Act in the Offering Memorandum under the captions “INTRODUCTORY STATEMENT,” “DESCRIPTION OF THE SERIES 2021A ECP NOTES,” “SUMMARY OF CERTAIN PROVISIONS OF THE SERIES 2021A ECP NOTES,” “PLAN OF FINANCE,” “SECURITY FOR THE SERIES 2021A ECP NOTES,” and “APPENDIX \_ – FORM OF ECP INDENTURE”, fairly summarize the principal provisions of the documents and matters of law intended to be summarized therein. The statements under the caption “TAX MATTERS,” insofar as such statements purport to summarize certain provisions of tax law, regulations, and rulings, are fair and accurate summaries of the provisions so summarized;]

(ii) no registration of the Series 2021A ECP Notes under the Securities Act of 1933, as amended (the “Securities Act”), or qualification of the ECP Indenture under the Trust Indenture Act of 1939, as amended, is required in connection with the offer and sale of the Series 2021A ECP Notes; and

(iii) the offer and sale of the Series 2021A ECP Notes has been validly authorized by the Issuer, and the Financing Documents (defined herein) have been validly authorized, executed and delivered by the Issuer and no other approval, authorization, action or consent is required to cause the Series 2021A ECP Notes to be validly authorized and issued (with respect to the offer and sale of the Series 2021A ECP Notes, however, no opinion need be expressed with respect to the application of state securities laws);

(d) An opinion of counsel to the Issuer, dated the Closing Date, which counsel may be either Bond Counsel or general counsel to the Issuer, substantially to the effect that:

(i) the Issuer was created and is validly existing as an instrumentality of the State under the laws of the State with requisite power and authority to pledge the Trust Estate to secure the Series 2021A ECP Notes, and all of the purposes for which the proceeds of the Series 2021A ECP Notes are to be used are permitted pursuant to the “New Jersey Infrastructure Trust Act”, constituting Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey (the “State”) (codified at N.J.S.A. 58:11B-1 et seq.), as the same has been, and in the future may from time to time be, amended and supplemented (the “Act”);

(ii) no authorization, consent, approval or review of any court or public or governmental body or regulatory authority was required for the authorization, execution and delivery by the Issuer of the Financing Documents, which has not been obtained or effected, except for such as may be required under state securities laws, and all conditions precedent and concurrent provided for in the ECP Indenture relating to the authentication and delivery of the Series 2021A ECP Notes have been satisfied;

(iii) the Issuer has requisite power and authority to enter into the Financing Documents to which it is a party and such Financing Documents have been duly and validly authorized, executed and delivered by the Issuer and such Financing Documents are legal, valid and binding obligations of the Issuer enforceable in accordance with their terms, except as the rights created thereunder and the enforcement thereof may be limited by bankruptcy, reorganization, insolvency or other similar laws or equitable principles affecting creditors’ rights generally;

(iv) the offer and sale of the Series 2021A ECP Notes have been duly and validly authorized and the Series 2021A ECP Notes constitute the legal, valid and binding obligations of the Issuer enforceable in accordance with their terms, except as the rights created thereunder and the enforcement thereof may be limited by bankruptcy, reorganization, insolvency, or other similar laws or equitable principles affecting creditors’ rights generally;

(v) except as may be set forth in the Offering Memorandum, to the knowledge of such cCounsel after reasonable inquiry, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or threatened against or affecting the Issuer or to which the Issuer is or may be a party or to which property of the Issuer is or may be subject, wherein an unfavorable decision, ruling or finding would materially adversely affect the Trust Estate, the Environmental Infrastructure Financing Program, the Construction Financing Program, the “Extendable Commercial Paper Financing Program” (as established pursuant to the ECP Resolution, the “ECP Financing Program”) or the transactions contemplated by the Financing Documents;

(vi) to the knowledge of such cCounsel after reasonable inquiry, the execution and delivery of the Offering Memorandum, the Financing Documents and other

agreements contemplated therein and by the Offering Memorandum, compliance with the provisions of such documents, and consummation of the transactions contemplated thereby, including the pledge of the Trust Estate, do not in any respect conflict with or constitute on the part of the Issuer a material breach or violation of or default under (A) any law pursuant to which the Issuer is constituted or regulated or the rules and regulations, as amended, of the Issuer, (B) any resolution adopted by the Issuer, or (C) any agreement, indenture, mortgage, deed of trust, lease or other instrument pertaining to the Trust Estate to which the Issuer is a party or by which it is or may be bound, or any existing law, regulation, administrative or court order or decree to which the Issuer is or may be subject;

(vii) to the knowledge of such Counsel after reasonable inquiry, the Issuer is not in violation of any provision of the Act or its by- laws;

(viii) to the knowledge of such cCounsel after reasonable inquiry, the Issuer is neither in default under any authorizing resolutions or other agreement or instrument governing outstanding indebtedness to which the Issuer is a party or by which it is bound, which default would have a material adverse effect on the Trust Estate, the Water Bank Program, the Construction Financing Program, the ECP Financing Program or the transactions contemplated by this Agreement or by the Offering Memorandum, nor has any violation occurred which with notice or the passage of time or both would constitute such a default under any such document;

(ix) the Offering Memorandum has been duly approved, signed and delivered by the Issuer;

(x) all actions taken by the Board of Directors of the Issuer in connection with the issuance and sale of the Series 2021A ECP Notes and the Construction Financing Program for which the Series 2021A ECP Notes are to be issued have been in compliance with the provisions of the Act;

(xi) the ECP Resolution and other resolutions of the Issuer in connection with the issuance of the Series 2021A ECP Notes to be delivered at closing were duly adopted by the Issuer and are in full force and effect on the date of closing and have not been modified or amended since the dates of adoption;

(xii) the directors and officers identified in the Offering Memorandum are the current directors and officers of the Issuer, were duly appointed or elected, and are legally qualified to serve as such directors and officers;

(xiii) the descriptions and summaries in the Offering Memorandum under the captions [“INTRODUCTORY STATEMENT,” “PLAN OF FINANCE,” “THE PROGRAMS,” “THE I-BANK” and “ABSENCE OF LITIGATION”] accurately and fairly present the information stated with respect thereto, it being understood that in rendering such opinion Counsel shall not be required to express an opinion with respect to the financial and statistical data included in the Offering Memorandum;

(xiv) nothing has come to the attention of such counsel which would lead such counsel to believe that the Offering Memorandum contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect, it being understood that, in rendering such opinion, such counsel shall not be required to express an opinion with respect to the financial and statistical data included in the Offering Memorandum, or with respect to DTC and the book-entry-only system; and

(xv) Such other matters as the Dealer or the Issuer may reasonably request at or prior to the Closing;

(e) A copy of the executed ECP Indenture and Issuing and Paying Agent Agreement, as then in effect;

(f) A copy of the ECP Resolution adopted by the Issuer, reasonably satisfactory in form and substance to the Dealer and certified by an Authorized Representative, authorizing execution and delivery by the Issuer of this Agreement, the ECP Indenture, the Issuing and Paying Agent Agreement and the Series 2021A ECP Notes (collectively, together with any other agreements executed and delivered by the Issuer in connection with the issuance or sale of the Series 2021A ECP Notes, the "Financing Documents") and a copy of any ratifying or confirming resolutions; and

(g) Such other certificates, opinions, letters and documents as the Dealer shall have reasonably requested.

The Dealer agrees to deliver to the Issuer on or before the Closing Date the following:

- (a) A certificate of incumbency as required by the Issuing and Paying Agent;
- (b) An opinion of counsel to the Dealer in form and substance satisfactory to the Issuer and its counsel.

Section 8. Certain Representations and Warranties of the Issuer. The Issuer represents and warrants to the Dealer, as of the date hereof and as of the date of each issuance of the Series 2021A ECP Notes, as follows:

(a) The ECP Indenture is in full force and effect. Except for any amendments or supplements to the ECP Indenture theretofore delivered to the Dealer, the ECP Indenture has not been modified or amended. The Issuer has requisite power and authority to issue the Series 2021A ECP Notes, to enter into, perform and observe the covenants and agreements on its part contained in the Financing Documents and to carry out and consummate all transactions contemplated hereby and by the other Financing Documents.

(b) The Series 2021A ECP Notes are limited obligations of the Issuer payable solely from the Trust Estate (as defined in the ECP Indenture) pledged under the ECP Indenture. The



Financing Documents have been duly authorized, executed and delivered by the Issuer. The Financing Documents constitute legal, valid and binding limited obligations of the Issuer, enforceable against the Issuer through the Trust Estate in accordance with their respective terms, subject to bankruptcy, insolvency, moratorium, reorganization, fraudulent conveyance or other laws affecting the enforcement of creditors' rights generally, and by the application of equitable principles, regardless of whether such enforceability is considered in a proceeding in equity or at law, except as enforcement may be held to be against public policy, all to the extent constitutionally applicable.

(c) The Series 2021A ECP Notes have been duly authorized and executed by the Issuer, are entitled to the benefit of the ECP Indenture and, when authenticated and delivered by the Issuing and Paying Agent, will constitute valid and binding limited obligations of the Issuer in accordance with their terms, subject to bankruptcy, insolvency, moratorium, reorganization, fraudulent conveyance or other laws affecting the enforcement of creditors' rights generally, and by the application of equitable principles, regardless of whether such enforceability is considered in a proceeding in equity or at law, except as enforcement may be held to be against public policy, all to the extent constitutionally applicable.

(d) The Offering Memorandum, as amended and supplemented (with the exception of information relating to the DTC, as to which no representation is made), does not, as of its date and at the time of issuance and sale of Series 2021A ECP Notes, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(e) There are no consents, authorization or approvals of, or filings with, any federal or state government authority (other than the Issuer) required in connection with the issuance or sale by the Issuer of the Series 2021A ECP Notes or the performance of its obligations thereunder except as may be required by state securities laws (as to which no representation is made), and except as to those which have already been obtained or made.

(f) The execution, delivery and performance by the Issuer of this Agreement, the Series 2021A ECP Notes, and the other Financing Documents have not and will not result in a material breach or violation of, conflict with, or constitute a material default under any law, regulation, order, judgment, agreement or instrument pertaining to the Trust Estate to which the Issuer is a party or by which the Issuer or any of its property which is included in the Trust Estate is bound.

(g) Other than as disclosed in the Offering Memorandum, and any amendments and supplements thereto, there is no litigation or governmental proceeding pending, or to the knowledge of the Issuer threatened, against or affecting the Issuer which might reasonably be expected to result in a material adverse effect on the Trust Estate, the Water Bank Program, the Construction Financing Program, the ECP Financing Program or the ability of the Issuer to perform its obligations under the Financing Documents.

(h) Each delivery of Series 2021A ECP Notes to the Dealer shall be deemed to be accompanied by a representation and warranty by the Issuer, as of the date thereof, that (i) the Series 2021A ECP Notes issued on such date have been duly authorized, issued and delivered and, upon payment therefor, will constitute legal, valid and binding limited obligations of the Issuer enforceable against the Issuer in accordance with their terms and the terms of the ECP Indenture, subject to bankruptcy, insolvency, moratorium, reorganization, fraudulent conveyance or other laws affecting the enforcement of creditors' rights generally, and by the application of equitable principles, regardless of whether such enforceability is considered in a proceeding in equity or at law, except as enforcement may be held to be against public policy, all to the extent constitutionally applicable, and (ii) the representations and warranties of the Issuer set forth in this Section 8 are true and correct as if made on such date.

(i) The issuance and sale of the Series 2021A ECP Notes do not require registration of the Series 2021A ECP Notes under the Securities Act.

[Certain representations and warranties of the Dealer, consistent with customary practice.]

Section 9. Covenants and Agreements of the Issuer. The Issuer covenants and agrees that:

(a) The Issuer will give the Dealer notice forthwith of the occurrence of (i) any Event of Default under and as defined in the ECP Indenture or (ii) any breach of its obligations under the ECP Indenture which, with notice or lapse of time or both, could become such an Event of Default pursuant to Section 6.1 of the ECP Indenture.

(b) The Issuer will promptly notify the Dealer of the occurrence of any event affecting the power of the Issuer to issue Series 2021A ECP Notes, the due authorization and execution of the Series 2021A ECP Notes, the corporate existence of the Issuer, the financial condition and affairs of the Issuer, in any material respect, relating to the Trust Estate or the Water Bank Program, the Construction Financing Program, the ECP Financing Program or which would otherwise render untrue or misleading in any material respect any material fact in any Financing Documents

(c) . The notice required by this subsection shall be delivered in writing or in an electronic medium permitting the Dealer to produce a paper copy thereof.

(d) The Issuer will not permit to become effective any amendment to or modification of the ECP Indenture or the Financing Documents (i) which could reasonably be expected to materially adversely affect the rights and obligations of the Dealer, except as may have been agreed to in writing by the Dealer; or (ii) which could reasonably be expected to materially adversely affect the interest of the Holder of any Series 2021A ECP Notes then Outstanding. The Issuer will give the Dealer notice of any proposed amendment to or modification of the ECP



Indenture or the other Financing Documents prior to the effective date thereof. The Issuer will provide executed copies of all such amendments to the Financing Documents to the Dealer.

(e) The Issuer will maintain short-term ratings on the Series 2021A ECP Notes at [P-1 (or its equivalent) by Moody's,] ["A-1+" (or its equivalent) by Standard & Poor's] and at ["F1+" (or its equivalent) by Fitch Ratings].

(f) The Issuer will provide to the Dealer copies of the Issuer's annual audited financial statements within ninety (90) days following the date on which such financial statements shall become available (which obligation may be satisfied by the posting thereof by the Issuer on the Electronic Municipal Market Access portal of the Municipal Securities Rulemaking Board) and such additional information concerning the operations and financial condition of the Issuer relating to the Trust Estate, the Water Bank Program, the Construction Financing Program or the ECP Financing Program as the Dealer may from time to time reasonably request.

(g) The Issuer will cooperate with the Dealer in any reasonable endeavor to qualify the Series 2021A ECP Notes for offering and sale under the securities or "Blue Sky" laws of such jurisdictions of the United States of America ("U.S.") as the Dealer may reasonably request and will assist, if necessary, in continuing the effectiveness of such qualifications so long as required for the distribution of the Series 2021A ECP Notes; provided, however, that the Issuer shall not be required to consent to the service of process in any such jurisdictions. The Issuer agrees and consents to the use of the Offering Memorandum by the Dealer in obtaining such qualifications.

(h) The Issuer will not sell Series 2021A ECP Notes to the Dealer in the event that the legal opinion provided pursuant to Section 7(b) hereof has been withdrawn, adversely modified or retracted.

(i) The Issuer will take all actions reasonably within its control necessary to maintain the exclusion of interest on the Series 2021A ECP Notes from the gross income of the Holders thereof for federal income tax purposes.

#### Section 10. Offering Memorandum.

(a) The Issuer will prepare and distribute to investors and potential investors in the Series 2021A ECP Notes an Offering Memorandum (the "Offering Memorandum") containing information about the Issuer. The Dealer shall not be responsible for the distribution of the Offering Memorandum.

(b) After the initial issuance of any of the Series 2021A ECP Notes, the Issuer will promptly notify the Dealer by telephone (which shall promptly be confirmed by notice in writing) of (i) the occurrence of any event relating to or affecting the Issuer that would cause the Offering Memorandum, then in existence and as then supplemented, to include an untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they are made, not misleading or by which any representation or warranty of the Issuer under any of the Financing Documents would become

false; (ii) any reduction in any existing rating or written communication by any rating agency that it is considering a possible reduction in any existing rating of the Series 2021A ECP Notes; (iii) the receipt by the Issuer of notice of the enactment of legislation or the adoption of regulations or a decision, ruling or technical advice by any federal judicial or administrative authority which has the effect of requiring interest on the Series 2021A ECP Notes to be included in the gross income of the Holders for federal income tax purposes; (iv) the receipt by the Issuer of an opinion of Bond Counsel to the effect that interest on the Series 2021A ECP Notes is to be included in the gross income of the Holders for federal income tax purposes; (v) the need for an opinion of Bond Counsel as to the tax status of any of the Series 2021A ECP Notes; and (vi) any Event of Default under and as defined in the ECP Indenture, or any breach of its obligations under the ECP Indenture which, with notice or lapse of time or both, would constitute such an Event of Default pursuant to Section 6.1 of the ECP Indenture. The Offering Memorandum shall be updated by the Issuer in conjunction with the issuance of Series 2021A ECP Notes, periodically as necessary to reflect any material changes therein, and, at the reasonable request of the Dealer, as necessary to reflect information material to investors in the Series 2021A ECP Notes.

(c) If, in the reasonable opinion of the Dealer, Dealer's counsel or Bond Counsel, changes in applicable federal or state securities law require revisions to the Offering Memorandum, the Issuer agrees to revise the Offering Memorandum, with the assistance of the Dealer, so as to comply with applicable federal or state securities law, and distribute such revised Offering Memorandum at the Issuer's cost and expense.

(d) In connection with any amendment of the Offering Memorandum relating to the Series 2021A ECP Notes issued subsequent to the initial issuance of the Series 2021A ECP Notes, or any amendment thereof, the Issuer agrees to provide, on the date of the issuance and sale of the Series 2021A ECP Notes to which such amended Offering Memorandum relates, a certificate of an Authorized Representative of the Issuer to the effect that the information relating to the Issuer contained in such Offering Memorandum, as amended, as of the date of such Offering Memorandum, as amended, did not contain, and on such date of issuance and sale of Series 2021A ECP Notes to which such Offering Memorandum relates, does not contain, any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

#### Section 11. Payment of Fees and Expenses of Dealer.

(a) For the services to be performed by the Dealer under this Agreement, the Issuer agrees to pay the Dealer as follows:

(i) reimbursement for out of pocket expenses, including reasonable counsel fees, due on or about the date this Agreement is executed; and

(ii) quarterly, in arrears, an amount based upon a daily weighted average of par for the Series 2021A ECP Notes outstanding for the specified period which Series 2021A ECP Notes were sold by the Dealer. During each calendar year a fee equal to 0.08% of the

principal amount of each of the Series 2021A ECP Notes outstanding sold by the Dealer calculated as follows: 0.0008 times the principal amount of the Series 2021A ECP Notes outstanding times the number of days in such quarter such Series 2021A ECP Notes shall be outstanding divided by 365 or 366 days (as appropriate); payable quarterly in arrears commencing on \_\_\_\_\_, 2021 and on the first day of each [July, October, January and April thereafter].

(b) The Issuer's obligations under this Section 11 shall survive termination or expiration of this Agreement.

Section 12. Liability for Claims. In the event that the Dealer, any member, officer, director, official, employee, inside counsel, affiliate and agent of the Dealer, and each person, if any, who controls the Dealer within the meaning of Section 15 of the Securities Act (each, a "Dealer Party"), incurs or is subject to losses, claims, suits, damages, liabilities, penalties or costs and expenses (including, without limitation, reasonable fees and disbursements of counsel) or judgments of whatever kind or nature (or actions in respect thereof) (each "a Claim") which are caused by, arise out of or are based upon:

(a) any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact contained in the Offering Memorandum or caused by, arising out of, or based upon any omission or alleged omission from the Offering Memorandum of any material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; or

(b) the breach by the Issuer of any agreement, covenant or representation made pursuant to this Agreement or other Financing Documents, such Dealer Party may, at its sole discretion, bring an action against the Issuer. Any such action shall be brought in accordance with and subject to the New Jersey Tort Claims Act, N.J.S.A. 59:2-1 *et seq.* and the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 *et seq.* In addition, such Dealer Party shall send a notice of such action to the Issuer providing details of the claim. While the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 *et seq.*, is not applicable by its terms, the Dealer on behalf of itself and the Dealer Parties agrees that such statute (except N.J.S.A. 59-13-9) shall be applicable to any claims against I-Bank under this Agreement.

In case any action is brought against any Dealer Party and in respect of which recourse may be sought against the Issuer, such Dealer Party must promptly notify the Issuer in writing. The Issuer will have the option, in its sole discretion, to assume the defense thereof, including the employment of counsel, and the payment of all expenses, provided that the Issuer will be entitled to negotiate and consent to settlement, will have the right to raise substantive and procedural defenses, including, among others, sovereign immunity and compliance with the requirements of Title 59 of the New Jersey Statutes Annotated relating to the same, and such Dealer Party shall cooperate with the Issuer in any such defense. Such Dealer Party shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such person unless the employment of such

counsel has been specifically authorized by the Issuer. The Issuer shall not be liable for any settlement of any such action effected without its consent, but if settled with the consent of the Issuer, or if there be a final judgment for the plaintiff in any such action brought in accordance with the requirements of this provision and in which the Issuer assumed the defense thereof, the Issuer shall be liable and shall protect such party from and against any loss or liability by reason of such settlement or judgment. If the Issuer elects not to assume the defense of any such action, the Dealer Party's remedies will be limited to bringing a direct action against the Issuer to recover any losses in accordance with the Title 59 of the New Jersey Statutes Annotated.

The provisions of this Section 12 shall not be construed to limit the sovereign immunity of the State or any State agency other than to the extent authorized by the legislature and, while the Issuer is entitled to sovereign immunity as provided under Title 59 of the New Jersey Statutes Annotated, the Issuer is generally not entitled to sovereign immunity with regard to contract claims; provided, however any such claim may only be brought against the Issuer pursuant to and in accordance with the provisions of N.J.S.A. 59:8-1 *et seq.*

Section 13. Termination or Suspension. In addition to the provisions of Section 14 hereof, the Dealer shall have the right in its sole reasonable discretion to immediately suspend or terminate its obligations under this Agreement at any time by notifying the Issuer in writing or by electronic means of its election to do so if:

(a) any one or more of the Issuer's representations and warranties under Section 8 is not true and correct in any material respect;

(b) the Issuer has breached one or more of its covenants, agreements, or obligations under Sections 8, 9, 10 or 11 hereof;

(c) any information shall have become known, which, at any time, in the Dealer's reasonable opinion, makes untrue, incorrect, incomplete or misleading in any material respect any statement or information contained in the current Offering Memorandum relating to the Series 2021A ECP Notes, as the information contained therein has been supplemented or amended by other information, or causes such Offering Memorandum, as so supplemented or amended, to contain an untrue, incorrect or misleading statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading;

(d) the marketability of the Series 2021A ECP Notes or the market price thereof, in the reasonable opinion of the Dealer, has been materially adversely affected (i) by an amendment to the Constitution of the U.S. or by any legislation (A) enacted by the Congress of the U.S., (B) enacted by the State, (C) recommended to the Congress of the U.S. or otherwise endorsed for passage, by press release, other form of notice or otherwise, by the President of the U.S., the Chairman or ranking minority member of the Committee on Finance of the U.S. Senate or the Committee on Ways and Means of the U.S. House of Representatives, the Treasury Department of the U.S. or the Internal Revenue Service, (D) reported for passage to either house of the

Congress of the U.S. by any committee of such house to which such legislation has been referred for consideration, or (ii) by any decision of any court of competent jurisdiction or by any ruling, regulation (final, temporary or proposed), press release, other form of notice or otherwise on behalf of the Treasury Department of the U.S., the Internal Revenue Service or any other authority of the U.S. or the State, or any comparable legislative, judicial or administrative decision affecting the federal or state tax status of the Issuer, its property or income or the interest on obligations of the general character of the Series 2021A ECP Notes, or the Series 2021A ECP Notes; provided, however, that the Dealer shall have provided to the Issuer a reasonable explanation of the manner and extent to which the marketability of the Series 2021A ECP Notes or the market price thereof has been materially adversely affected;

(e) legislation shall have been enacted or reported by any committee for passage by either house of the Congress of the U.S., or a decision by a court of competent jurisdiction shall be rendered, or a ruling or regulation (final, proposed or temporary) by or on behalf of the U.S. Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall be made that, in the reasonable opinion of the Dealer, has the effect of requiring the Series 2021A ECP Notes, any underlying securities or any obligations of the general character of the Series 2021A ECP Notes to be registered under the Securities Act, or requiring any indenture in respect of the Series 2021A ECP Notes to be qualified under the U.S. Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), or otherwise prohibiting the offering and sale of the Series 2021A ECP Notes or obligations of the general character of the Series 2021A ECP Notes;

(f) a stop order, release, regulation or no-action letter by or on behalf of the U.S. Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall have been issued or made to the effect that the issuance, offering or sale of the Series 2021A ECP Notes, including any underlying obligations, or any document relating to the issuance, offering or sale of the Series 2021A ECP Notes is or would be in violation of any provision of the federal securities laws, including, but not limited to, the Securities Act and the Trust Indenture Act;

(g) any governmental authority shall impose, as to the Series 2021A ECP Notes, or obligations of the general character of the Series 2021A ECP Notes, any material restrictions not now in force, or increase materially those now in force such as continuing disclosure obligations of the Issuer;

(h) there shall be established any new restriction on transactions in securities materially affecting the free market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or the charge to the net capital requirements of, underwriters established by the New York Stock Exchange, the U.S. Securities and Exchange Commission, any other federal, state or foreign agency or the Congress of the U.S., or any executive order;

(i) any of the rating agencies then rating the Series 2021A ECP Notes shall either (i) downgrade the ratings assigned to the Series 2021A ECP Notes so that such Series 2021A ECP Notes are not an “Eligible Security” as defined under Rule 2a-7 of the Investment Company Act, on the effective date hereof, or (ii) suspend or withdraw the then current ratings assigned to the Series 2021A ECP Notes;

(j) a general banking moratorium shall have been established by authorities of the federal government, the State of New York or the State; a general suspension of, or material limitation in trading shall have occurred on the New York Stock Exchange or additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by the New York Stock Exchange;

(k) an actual or imminent default or a moratorium in respect of payment of any U.S. Treasury bills, bonds or notes, the effect of which in the Dealer’s reasonable judgment makes it impractical to market the Series 2021A ECP Notes or to enforce contracts for the sale of the Series 2021A ECP Notes.

(l)

No such termination or suspension shall affect the rights and obligations of the Dealer which have accrued under this Agreement prior to such termination or suspension.

Section 14. Resignation and Removal of the Dealer. The Dealer may at any time resign and be discharged of its duties and obligations hereunder upon providing the Issuer with thirty (30) days’ prior written notice. The Dealer may be removed at any time by the Issuer upon thirty (30) days’ prior written notice. Upon resignation or removal of the Dealer, the Issuer shall promptly cause the Issuing and Paying Agent to give notice thereof electronically to all Holders of the Series 2021A ECP Notes and to any rating agency which has assigned a rating to the Series 2021A ECP Notes. Upon resignation or removal of the Dealer, the Dealer shall, upon request of the successor dealer, the Issuing and Paying Agent or the Issuer, execute and deliver such instruments of succession as may be necessary or convenient to effect such resignation and/or removal and succession.

Section 15. Miscellaneous.

(a) The representations and warranties of the Issuer contained herein shall survive the delivery of the Series 2021A ECP Notes and shall remain in full force and effect, regardless of any termination or cancellation of this Agreement or any investigation made by or on behalf of any party hereto.

(b) Except as otherwise provided herein, all notices required under the terms and provisions hereof shall be in writing, given in person, by mail (postage prepaid) or by email, telex or telecopier, and any such notice shall be effective when received at the address specified below for the intended recipient (or at such other address as such recipient may designate from time to time by notice to the other party).



New Jersey Infrastructure Bank  
3131 Princeton Pike  
Building 4, Suite 216  
Lawrenceville, New Jersey 08648-2201  
Attention: Executive Director  
Phone: (609) 219-8600  
email: [dzimmer@njib.gov](mailto:dzimmer@njib.gov)  
Facsimile: (609) \_\_\_\_ - \_\_\_\_

Morgan Stanley & Co. LLC  
1585 Broadway, 2nd Floor  
New York, NY 10036  
Attention: Municipal Short Term Products  
Telephone: (212) 761-9093  
Facsimile: (212) 507-2103  
Email: [muni-short-term@morganstanley.com](mailto:muni-short-term@morganstanley.com)

**This Agreement shall be governed by, and construed in accordance with, the laws of the State. Notwithstanding any provision hereof to the contrary,** any claims by the Dealer against the Issuer under this Agreement shall be subject to the limitations of the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:2-1 *et seq.* and the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 *et seq.* While the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 *et seq.*, is not applicable by its terms to claims arising under contracts with the Issuer, the Dealer hereby agrees, on behalf of itself and any Dealer Party, that such statute (except N.J.S.A. 59:13-9) shall be applicable to all claims against the Issuer arising under this Agreement.

(c) Nothing in this Agreement, expressed or implied, is intended to or shall be construed to confer upon or to give to any person other than the Issuer and the Dealer any rights, remedies or claims hereunder or by reason hereof or any covenant, condition or stipulation thereof. All covenants and agreements herein contained by or on behalf of the Issuer or the Dealer shall be for the sole and exclusive benefit of the Issuer or the Dealer, as appropriate.

(d) This Agreement is not assignable by either party hereto without the written consent of the other party.

(e) The Issuer acknowledges and agrees that the Dealer shall have no obligation under this Agreement to provide any services, provide any advice or take any other action to the extent that the Dealer determines, in its sole discretion, such action would cause the Dealer to be considered a “municipal advisor” as defined under Section 15B of the Securities Exchange Act of 1934, as amended and SEC Rule 15Ba1-1.

(f) The terms of this Agreement may not be waived, altered, modified, amended or supplemented in any manner whatsoever except by written instrument signed by each of the parties hereto.

(g) This Agreement may be executed in several counterparts, each of which is to be regarded as an original but all of which shall constitute one and the same document.

Section 16. No Advisory or Fiduciary Role. The Issuer acknowledges and agrees that: (i) any purchase of, or arrangement for the sale of, the Series 2021A ECP Notes contemplated by this Agreement will be pursuant to an arm's-length commercial transaction between the Issuer and the Dealer and that the Dealer has financial and other interests that differ from those of the Issuer; (ii) Dealer is not acting as a municipal advisor, financial advisor, or fiduciary to the Issuer and has not assumed any advisory or fiduciary responsibility to the Issuer with respect to any transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Dealer has provided other services or is currently providing other services to the Issuer on other matters); (iii) the only obligations the Dealer has to the Issuer with respect to any transaction contemplated hereby expressly are set forth in this Agreement; and (iv) the Issuer has consulted its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it deems appropriate.

[Remainder of page intentionally left blank]



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered as of the date hereof.

NEW JERSEY INFRASTRUCTURE BANK

By: \_\_\_\_\_  
Name: David Zimmer  
Title: Executive Director

MORGAN STANLEY & CO. LLC

By: \_\_\_\_\_  
Name: Richard Weiss  
Title: Executive Director

EXHIBIT A

FORM OF LETTER OF INSTRUCTIONS

\_\_\_\_\_, 2021

Morgan Stanley & Co. LLC  
 1585 Broadway, 24<sup>th</sup> Floor  
 New York, NY 10036  
 Attention: Municipal Short Term Products

Re: New Jersey Infrastructure Bank  
 Environmental Infrastructure Extendable Commercial Paper Notes [(Green  
 Notes)], Series 2021A (the “Series 2021A ECP Notes”)

Ladies and Gentlemen:

This letter agreement will serve to confirm the understanding of the parties hereto regarding the instructions and parameters concerning the issuance of the Series 2021A ECP Notes. The New Jersey Infrastructure Bank (the “Issuer”) hereby instructs Morgan Stanley & Co. LLC (the “Dealer”) to arrange for the sale of Series 2021A ECP Notes without any additional confirmation from the Issuer, pursuant to the terms set forth in the attached Schedule 1.

These standing instructions shall remain in effect until terminated by either party hereto upon five (5) days’ notice. If a sale of Series 2021A ECP Notes does not comply with the above parameters, the Dealer shall seek the approval of the Issuer pursuant to the Dealer Agreement between the Issuer and the Dealer.

If the foregoing is satisfactory, please execute a copy of this letter. This agreement may be executed in counterpart originals.

Very truly yours,

NEW JERSEY INFRASTRUCTURE BANK

By: \_\_\_\_\_  
 David Zimmer, Executive Director

AGREED AND ACCEPTED:  
 MORGAN STANLEY & CO. LLC

By: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

## SCHEDULE 1

Re: New Jersey Infrastructure Bank  
Environmental Infrastructure Extendable Commercial Paper Notes [(Green Notes)], Series 2021A (the “Series 2021A ECP Notes”)

The Series 2021A ECP Notes may be sold in accordance with the following terms:

- (h) no “new money” Series 2021A ECP Notes (i.e., Series 2021A ECP Notes issued pursuant to Section 2.1 of the ECP Indenture) may be issued without the express written authority of the Issuer;
- (ii) the par amount of refunding Series 2021A ECP Notes issued on any day shall not exceed the amount of Series 2021A ECP Notes maturing on such day that are to be refunded;
- (iii) the Series 2021A ECP Notes shall have an Original Maturity Date, which date shall be a Business Day and shall not be less than one day and not greater than (a) [90] days after the Issue Date, or (b) the 90th day preceding the Final Maturity Date; and shall have an Extended Maturity Date (when the option is exercised or deemed exercised by the Issuer to extend the maturity past the Original Maturity Date), which date shall be a Business Day that is the earlier of (x) 270 days from the date of Original Issue Date or (y) the Final Maturity Date;
- (iv) the Series 2021A ECP Notes may not be issued at a discount; and
- (v) each 2021A ECP Note shall bear interest from the date of issuance until the Original Maturity Date at the rate determined for such Note on the date of issuance, however if the maturity date of such 2021A ECP Note is extended to the Extended Maturity Date, such Note shall bear interest from the Original Maturity Date to the Extended Maturity Date at the Extension Rate determined in accordance with the ECP Indenture and provided further, that in no event will the interest rate for a 2021A ECP Note exceed the Maximum Rate, which is 12.00%.